

County of Contra Costa, California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015

Robert Campbell
Auditor-Controller

County of Contra Costa, California

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2015

Robert R. Campbell, Auditor-Controller

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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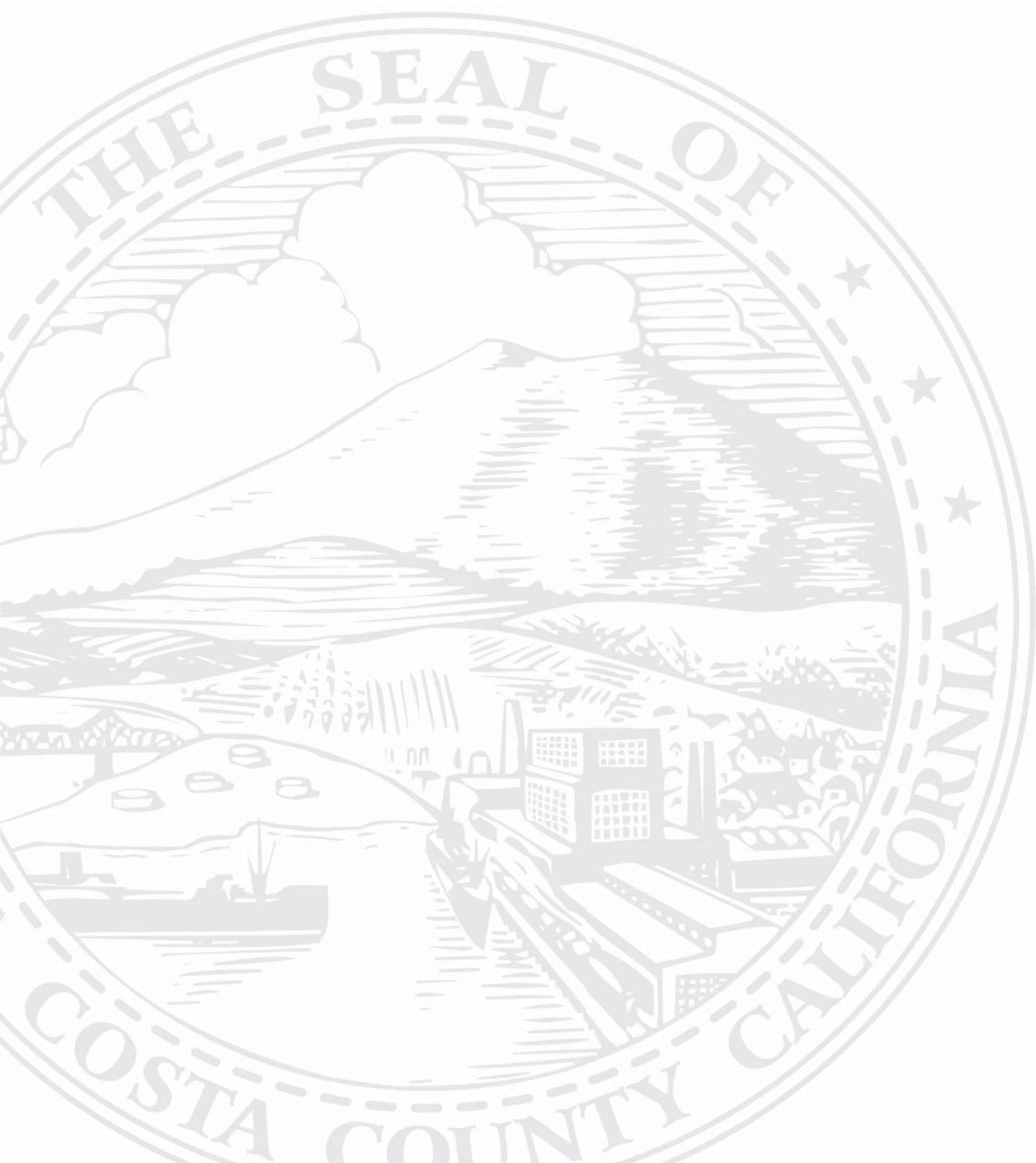
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Introductory Section



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December 14, 2015

Members of the Board of Supervisors and Citizens of Contra Costa County:

The Comprehensive Annual Financial Report (CAFR) of the County of Contra Costa (county) for fiscal year 2014-2015 is presented in compliance with California Government Code Sections 25250 and 25253. The Office of the County Auditor-Controller is responsible for both the accuracy of the presented data and the completeness and fairness of its presentation, including all disclosures, prepared in this report. We believe the data, as presented, is accurate in all material respects, presented in a manner designed to fairly set forth the financial position and changes in financial position of the county and its various funds, and includes all disclosures necessary to enable the reader to gain maximum understanding of the county's financial affairs.

Management of Contra Costa County is responsible for establishing and maintaining a comprehensive system of internal controls to ensure that the assets of the county are protected from loss, theft, or misuse, and that accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that those objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

For over 60 years, the policy of the county has been to require an annual audit of the financial statements of the county by independent, licensed certified public accountants. The Board of Supervisors selected the firm of Macias Gini & O'Connell LLP, Certified Public Accountants, to perform the fiscal year 2014-2015 audit.

The independent auditor concluded that the county's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of the CAFR.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all of its financial transactions. The accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A), which is located after the independent auditor's report. The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The CAFR is organized into three sections:

- *The Introductory Section* is intended to familiarize the reader with the organizational structure of the county, the nature and scope of the services it provides, and the specifics of its legal operating environment.
- *The Financial Section* includes the independent auditors' report on the basic financial statements, MD&A, audited basic financial statements, note disclosures and supporting statements, and schedules necessary to provide readers with a comprehensive understanding of the county's financial activities of the past fiscal year.
- *The Statistical Section* provides the reader with additional historic perspective, context, and detail to assist in using the information in the financial statements. It provides information in five categories: financial trends; revenue capacity; debt capacity; demographic and economic information; and operating indicators.

Profile of the Government

Contra Costa County was incorporated in 1850 as one of the original 27 counties of the state. It is one of nine counties in the San Francisco-Oakland Bay Area. The county covers about 733 square miles: the western and northern shorelines are highly industrialized, while the interior sections are suburban/residential, commercial, and light industrial.

The county has a general law form of government. A five member Board of Supervisors (Board), each elected to four-year terms, serves as the legislative body. A County Administrative Officer is appointed by the Board and runs the day-to-day business.

The county provides the full-range of services contemplated by statute. These services include public protection, highways and streets, sanitation, health and social services, planning and zoning, and general administrative services.

The county reporting entity includes all the financial balances and activities of the primary government as well as all of its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and relationship with the county are such that exclusion would cause the county's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (i) the county's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the county. For further information on component units, see Note 1.A in the "Notes to the Basic Financial Statements" in this report.

The reporting entity excludes certain separate legal entities that may have "Contra Costa" in their title, or that are required to keep their funds in the County Treasury, or receive their property tax apportionment from the county. Examples are the Contra Costa County Employees Retirement Association, school districts, the community college district, cities, successor agencies to city redevelopment agencies, the Bay Area Rapid Transit District, the Metropolitan Transportation Commission, and a variety of special purpose districts for cemeteries, mosquito abatement, recreation and parks, etc. Those entities are autonomous organizations that handle their own fiscal affairs and for which the Board of Supervisors has no oversight responsibility. Accordingly, they are not included in the accompanying basic financial statements, except for their assets, principally cash and investments, which are held by the County Treasurer.

The annual budget serves as the foundation of the county's financial planning and control. The Board is required to adopt a recommended budget before the start of the fiscal year. The budget is prepared by fund, function (e.g. public protection), department (e.g. Sheriff), and object level (e.g. salary and benefits). Department heads, with the approval of the County Administrator, may make transfers within the department; however, transfers between departments require the approval of the Board. For further information on the budget, see the "Note to Required Supplementary Information" in the Required Supplementary Information (other than MD&A) section of this report.

Local Economy

As of January 1, 2015, the county's population was estimated at 1,102,871. This represents an increase of approximately 4.4% compared to the county's population as of January 1, 2011.

Between July 2014 and June 2015, the county's unemployment rate decreased from 6.0% to 4.9%, which was significantly below the statewide averages of 7.3% and 6.2%, respectively (not seasonally adjusted). The county's economy is very diverse: major industries include petroleum refining, manufacturing, electronic equipment, and utilities. The county consistently ranks as a leader in both per capita and household income.

The following charts present pertinent available data for the last five-years:

<u>Population</u>		<u>Median Price of Existing Homes Sold*</u>				
#	2011	1,056,064	#	2010	November	256,000
#	2012	1,066,602	#	2011	November	N/A
#	2013	1,076,429	#	2012	November	320,000
#	2014	1,089,219	#	2013	November	N/A
	2015	1,102,871		2014	November	437,000
<u>Retail Sales (Thousands)</u>			<u>Retail Sales Per Capita</u>			
	2011	12,799,857		2011		12,118
#	2012	13,997,249	#	2012		13,123
	2013	N/A		2013		N/A
	2014	N/A		2014		N/A
	2015	N/A		2015		N/A

Revised

* Revised due to change in information availability date

Sources: California Department of Finance/Employment Development Department/DQ News

N/A = Not available

The county's goal for fiscal year 2014-15 was to adopt a General Fund budget that balanced annual expenses and revenues, preserved the fund balance, addressed revenue challenges and pension cost increases, and long-term rebalancing and structure of budget. The county met those goals in fiscal year 2014-15 and continues to be optimistic for the long term given the Board and employees' commitment to continued fiscal stability. Standard & Poor's (S&P) currently rates Contra Costa County's credit as "AAA", a reflection on the county's prudent management of finances as the Bay Area eases out of the recession. The rating agency also rates its long term ratings to "AA+" on the county's existing lease revenue bonds and pension obligation bonds. At the end of fiscal year 2014-2015, the county was in contract with the majority of its labor unions. With their assistance, the county has implemented a long-term rebalancing plan to reduce its expenditures and restructure its service delivery to provide the most effective services within annual available resources.

Economic Challenges

After years of significant challenge the county is seeing improvement in its financial status. Contra Costa County has managed the economic challenges of the past several years through cooperation between the Board of Supervisors, department heads, and employees by making prudent fiscal choices, living within its means, and continuing to plan for the future.

The fiscal year 2014-2015 adopted budget, assumed the following:

- growth of 5% assessed value/property taxes;
- relatively flat compensation costs;
- increased pension costs; and
- no reliance on one-time revenues.

At mid-year, the Board formally reviewed the fiscal year 2014-2015 budget pursuant to the county's budget, reserve, and debt fiscal policies. At the time of that review, departmental expenditures and revenues at mid-year were within acceptable parameters given the Board's approved budget. The overall county budget including the general fund budget was balanced.

There were several major contributors to achieving a balanced budget:

- high number of vacancies due to several years of retirements without the ability to quickly backfill the positions; and
- increased assessed valuation greater than anticipated.

The end of fiscal year 2014-2015 marked the eighth year of operations since the county's adoption and implementation of fiscal policies. Although fiscal and economic challenges still exist, the budget remained balanced due to diligent monitoring and adjustments.

Reserve Balance

Prior to the housing market collapse, the county had reversed the trend of declining reserves experienced in the last decade and achieved a balanced General Fund budget for fiscal years 2005-2006 and 2006-2007. However, as is their purpose, reserves were spent in fiscal year 2007-2008 and 2008-2009. In fiscal year 2009-2010 and fiscal year 2010-2011, due to federal stimulus funding and negotiated compensation concessions, the budgets were balanced. The fiscal year 2013-2014 and 2014-2015 budgets did not anticipate reserve spending for on-going program expenses and the fiscal year 2015-2016 budget does the same.

In 2005, the Board adopted a General Fund Reserve Policy that established specific goals regarding the county's total and unreserved General Fund balance (5% unreserved fund balance and 10% total fund balance as percentages of General Fund revenue). The Governmental Accounting Standards Board (GASB) Statement 54 required a slight revision to the county's General Fund Reserve Policy by changing the term "unreserved" to "unassigned". The county continues to exceed the minimum unassigned General Fund goal of 5% of each year's projected revenue; however, the county has not achieved its informal goals of 10% and 20%, which are more prudent goals for a county the size of Contra Costa County. Six years of actual data now is available under the new GASB 54 format and presented in the schedule of Fund Balances of Governmental Funds on page 167 of the Statistical Section. Restricted fund balance for the General Fund

increased by \$1.7 million, committed fund balance decreased \$67 thousand, non-spendable fund balance increased by \$2.8 million, assigned fund balance grew by \$16 million, and unassigned fund balance grew by \$37.6 million. The total fund balance grew by \$58.1 million in fiscal year 2014-2015, which increased the total fund balance as a percentage of total revenue from 18.3% to 21.6% (a 3.3% increase).

Relative Debt Burden

There are many measures of an entity's fiscal health in addition to reserve levels. Pursuant to the county's Debt Management Policy, the Debt Affordability Advisory Committee annually calculates certain debt factors and debt burden ratios, compares them to benchmarks maintained by Moody's Investors Service (Moody's) and Standard and Poor's (S&P), and then publishes the results in the Annual Debt Report. In addition, the county benchmarks against a cohort of similarly situated California counties to take into account the unique factors associated with California. The Annual Debt Report is released each year after publication of counties' Comprehensive Annual Financial Reports (CAFR). The most recent Annual Debt Report available for reference is fiscal year 2013-2014 and the information below is sourced from that report.

Measuring the county's reserves and debt performance using ratio analysis provides a convenient way to compare the county's credit performance to other borrowers. Two of the most common reserves ratios applied to counties are the available and total general fund balance as a percentage of total general fund revenues. Those ratios are important measures of the financial flexibility (i.e. the ability of the county to absorb the impact of unforeseen events and emergencies such as sudden drops in assessed valuation due to real estate market cycles, earthquakes, etc.) of the county. It is important to note that rating agencies evaluate the county relative to a broader universe of counties and, thus, the comparisons to counties nationwide are critically important.

The county's fund balance performance is tracked using two ratios and compared to benchmarks from Moody's and cohort California counties. Below is the performance of Contra Costa County for each ratio:

1. Available General Fund Balance (including Assigned, Unassigned, and Committed fund balance) as a percentage of Total General Fund Revenue: The county's performance at 17% is in-line with the Moody's median benchmark for Large "Aa" Rated counties nationwide (with populations over 1 million) and the median of cohort of California counties, both at 17%.
2. Total General Fund Balance as a percentage of Total General Fund Revenue: The county's performance at 18% is slightly weaker than both the Moody's median benchmark for Large "Aa" Rated counties nationwide and the median cohort of California counties, each at 19%.

The county's debt performance is tracked using five ratios and compared to benchmarks from Moody's, Standard and Poor's and cohort California counties. Below is the performance of Contra Costa County for each ratio:

1. Direct Debt to Assessed Value: The county's performance at 0.38% is in-line with the Moody's median for Large Aa counties nationwide, at 0.38%, and slightly better than the median of cohort California counties at 0.42%.
2. Overall Debt to Assessed Valuation: The county's performance at 3.63% is higher than the Moody's median for Large Aa counties nationwide, at 2.89%, and slightly better than the median of cohort California counties at 3.50%.
3. Assessed Valuation per Capita: The county's performance at \$142,288 was higher than all benchmarks, including the Moody's median for Large Aa counties nationwide (\$117,260), Standard

and Poor's AAA GO Median for Counties (\$110,504), and the median of cohort California counties at \$127,094.

4. Direct Debt per Capita: The county's performance at \$547 per capita was higher than the median cohort of California counties at \$456.
5. Direct Debt as Percentage of Governmental Funds Revenue: The county's performance at 32% was well under the Standard and Poor's AAA GO median for counties at 70%, but in line with the cohort of California counties at 32%.

Standard and Poor's (S&P) rated Contra Costa County's long-term credit as the highest-possible level of "AAA", a reflection of the county's prudent management of finances as the Bay Area eases out of the recession. This achievement is due to the county's adherence to its financial management policies, the underlying strength of the county's wealth and assessed valuation demographics, and the county's demonstrated track record in managing difficult economic cycles. S&P also rated its long term ratings "AA+" on Contra Costa's existing lease revenue bonds and pension obligation bonds. In addition, the county's conservative fixed-rate debt portfolio shielded the county from the serious and expensive disruptions in the variable rate market that began in the fall of 2007 when the global financial crisis was emerging.

Long-term Financial Planning

The county is committed to prudent fiscal management and engages in targeted long-term financial planning when possible and appropriate. Per Budget Policy, the fiscal year 2014-15 budget process again included a strategic planning and financing process for facilities renewal and new construction projects (short and long-term capital budgets) and a comprehensive management program for the county's general government real estate assets relative to acquisition, use, disposition, and maintenance. This process includes funding decisions for maintaining the county's facility assets and allows the Board to consider competing funding decisions using credible information.

- Installation of a Solar Photovoltaic system at 151 Linus Pauling in Hercules was completed in April 2015. Total project cost was \$1,234,000.
- The installation of two energy efficient water boilers and a 100-gallon gas fired hot water heater was completed at 651 Pine Street in December 2014. Total project cost was \$918,000.
- The Sheriff's Office Records Unit was relocated in May 2015. Total project cost was \$725,000.
- Improvements to the Tamalpais Unit of the Juvenile Hall expanded services to residents including vocational training and school classes and was completed in December 2014. Total project cost was \$662,000.
- Installation of a new emergency power generator to serve the Health Services Department's Data Center and the Sheriff's Record unit was completed in June 2015. Total project cost was \$564,000.
- Roof and flooring improvements at the Richmond Veterans Memorial Hall was completed in May 2015. Total project cost was \$566,200.

County's long-term liability for Other Postemployment Benefits (OPEB).

The Board's actions, to date, have had a significant impact on the county's original 2006 OPEB liability of \$2.57 billion and annual required contribution (ARC) of \$216.3 million. The reductions reflect health plan changes, caps on county contributions, and labor concessions that are summarized below:

- Negotiated caps on county contributions for the majority of labor organizations.
- Compared to the county's original OPEB valuation from 2006, the county's Unfunded Actuarial Accrued Liability (UAAL) has declined by 69.1% (from \$2.57 billion to \$794.4 million).
- The normal cost of the Other Postemployment Benefits has declined 78.0% (from \$130.6 million to \$28.7 million). Normal cost is a component of the annual required contribution.
- The annual required contribution (ARC) has declined by 59.1% (from \$216.3 million to \$88.5 million).
- In December 2010, the county authorized adoption of the Public Agencies Retirement Services (PARS) Post-Retirement Health Care Plan Trust Agreement to manage its OPEB irrevocable trust account and in 2011 began transferring assets into that trust. The county continues to deposit \$20 million into the trust on an annual basis.
- The county pre-funded 14% of its OPEB obligation. Total OPEB trust assets were \$129.4 million as of the January 1, 2014, GASB 45 Actuarial Valuation.

Relevant Financial Policies

The Board has adopted a comprehensive set of financial management policies to provide for: (1) the annual adoption of a policy for the prudent investment of county funds; (2) establishing a Treasury Oversight Committee; (3) establishing and maintaining a General Fund reserve; (4) establishing formal fiscal policies regarding the adoption and maintenance of an annual balanced budget; and (5) establishing parameters for issuing and managing debt. Each of these financial management policies is described below.

Investment Policy. The county annually adopts an investment policy (the "Investment Policy") governing the county's investment of funds in the County Treasurer's Investment Pool, which as of June 30, 2015, held assets in the approximate amount of \$2.9 billion. The Board approved the most recent update to the Investment Policy on June 9, 2015.

Treasury Oversight Committee. The Treasury Oversight Committee is composed of seven members: the County Superintendent of Schools; a representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the county; a representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the county that are required or authorized to deposit funds in the County Treasury; a representative appointed by the Board; and three members of the public nominated by the County Treasurer-Tax Collector.

The Treasury Oversight Committee is responsible for conducting a quarterly review of the county investment portfolio and annually updating the Investment Policy.

Reserve Policy. The Reserve Policy requires the county to maintain a General Fund balance equal to a minimum of 10% of General Fund revenues and an unassigned fund balance equal to a minimum of 5% of General Fund revenues. Reserves exceeding the minimum are applied only to one time uses, such as additional

reserves or capital projects, up to an amount equal to 1% of General Fund revenues. The reserves can only be used in emergencies and if accompanied by a Board-approved plan to restore reserves to the target levels. The county's audited financial report for fiscal year 2014-2015 confirms compliance with the reserve policy: the total General Fund balance was 21.6% of General Fund revenues and the unassigned portion was 13.2%.

Budget Policy. The objectives of the Budget Policy are to establish best practices for the county's budget process and requirement for preparation of multi-year budget projections. Among other things, the Budget Policy requires the adoption of structurally balanced budgets and requires mid-year updates on budget status by department, with corrective actions presented to the Board within 30 days for any cost centers over budget.

Debt Management Policy. The Debt Management Policy (Policy) formalized guidelines for the issuance and management of various types of debt instruments and other financial obligations. The Debt Management Policy provides that the county will undertake multi-year capital planning and sets forth guidelines for the term of debt issues, refunding savings targets, and other structural debt features.

The Debt Management Policy established a Debt Affordability Advisory Committee (DAAC) that evaluates the viability of any proposed debt-financing, monitors and evaluates the county's performance against various debt ratio benchmarks, and annually prepares a comprehensive debt capacity report for the County Administrator. The DAAC monitors specific statistical measures and compares them to those of other counties, rating agency standards, and the county's historical ratios.

Investment Pool Rating. The Contra Costa County Investment Pool (Pool) was rated by Standard & Poor's (S&P) on September 30, 2014. The Pool was assigned a fund credit quality rating of "AAAF" and a fund volatility rating of "S1+." The "AAAF" rating is S&P's highest fund credit quality rating with the "S1+" volatility rating reflecting extremely low sensitivity to changing market conditions. The Pool has maintained its AAAf and S1+ ratings since first rated in November 2007.

Workers' Compensation. The Board maintains a Workers' Compensation Internal Service Fund funding policy. The objective of the policy was to establish a targeted minimum confidence level of 80%. The objective again was exceeded and was in excess of 86% during fiscal year 2014-2015. In the last few years, the county transfers were lowered to approximately \$17 million from \$20 million annually to the Workers' Compensation Internal Service Fund and still meet the Board's funding objective.

Major Initiatives

Agriculture

The Canine Program operated two canine units at the U.S. Post Office facilities where packages were successfully intercepted that would have had severe economic impact to California citrus agriculture. The two teams worked regionally in twelve Greater Bay Area counties and alerted on a total of 3,503 parcels at USPS, FedEx, and UPS. A total of 197 unmarked packages of agricultural commodities were intercepted. With these parcels, 23 packages were discovered to contain serious exotic pests. Of the two most notable, one package had an insect plus a bacterium that could have wiped out California's citrus industry, while another had numerous insects that could have severely impaired California's nut crop industry.

Animal Services

The Department has created a multi-tiered training program that will enhance staff performance and animal well-being by utilizing up to date training techniques. Presentations include interactive training sessions, which

include hands on, visual, and audio tools. The training addresses all aspects of shelter care and maintenance, as well as animal behavior and customer service.

Assessor

Created an interface program bridging the statewide business property statement filing system with the Assessor's Office unsecured database. This program increased the accuracy of assessments, cut processing time from hours to minutes, decreased the number of temporary staff during the busy filing season, saved printing time, keystrokes, and generated work paper packages that combined data used for annual assessment and future audit businesses.

Clerk-Recorder/Elections

The Elections Division secured polling places to be available for all major elections through the next census in 2020. This provides continuity from election and avoids sending voters to unfamiliar locations. This also resulted in the retention of more than 99% of our polling places between the June Primary and November General Election, which reduced the time staff spent identifying/securing polling places, conducting Americans With Disabilities Act surveys, and making accommodations to assure the sites were accessible.

Conservation and Development

Home occupation permits are now processed at the Application and Permit Center. The processing time has been shortened from three to four months to one-half hour or less due to changes to the home occupation ordinance. Simple applications such as tree permits and sign reviews are also expedited and the review time is shortened from two to three months to three to four weeks.

The East Contra Costa County Habitat Conservancy (Conservancy), a partnership between the county and four east county cities, was named "the model for the nation in habitat conservation" by U.S. Interior Secretary Sally Jewell during her second visit to the region last May. Secretary Jewell toured the Conservancy's Preserve System and East Bay Regional Park District's Diamond Mines Regional Preserve to see the outstanding habitat conservation, preservation of wetlands, and restoration work that is being done on behalf of endangered species. In 2014, the Conservancy partnered with the East Bay Regional Park District to acquire approximately 3,000 acres of land, including the \$14 million, 1,000-acre Roddy Ranch, which will become the centerpiece of a future Deer Valley Regional Park. These acquisitions bring the total land conserved in the last seven years to over 12,000 acres.

As a member agency of the Bay Area Regional Energy Network (BayREN), Contra Costa County has effectively implemented various countywide energy efficiency programs that include rebates for energy efficiency retrofits to Single-Family and Multi-Family Buildings, and assist local agencies and building permit applicants to comply with energy efficiency requirements in the California Building Code. The county currently leads the Bay Area with over 140 Single-Family energy efficiency home upgrades, representing over \$300,000 in rebates issued to homeowners. The county also led the Bay Area with the most Building Inspection Departments participating in a guided energy code assessment training exercise, which included the cities of Antioch, Brentwood, Oakley, San Pablo, and the county. The county expects to continue its momentum countywide with BayREN into the 2015 calendar year.

Contra Costa County Fire Protection District

Conducted approximately 12,000 life safety inspections and plan reviews of new buildings and fire/life safety systems for compliance with state and local fire and building codes during 2014. This represents a decrease in total number of projects but an increase in the size and complexity of constructions projects reviewed.

Purchased three squad vehicles to support the primary emergency medical mission of the new two-person squads as well as providing a fully functional support platform for rescues and firefighting support operations.

Department of Child Support Services

Current Child Support Orders: Achieved 93.7% of cases with a current support order, an increase of 3.2% over last year.

Current Child Support Collections: Achieved 66.9% of cases with current support collected, an increase of 1.1% over last year.

District Attorney

The District Attorney's Office continues to be very involved with the anti-gang initiative known as "Ceasefire" in the city of Richmond in an attempt to stem gang violence at its source, before it erupts into shootings and before the taking of innocent lives. The Office holds "call-ins" where gang members are called into meetings and told of an impending crackdown if the violence continues. This is done in partnership between law enforcement, community members, clergy, and service providers. The District Attorney's Office continues to work closely with the West County community to keep this momentum going in a positive direction. From a high of forty-seven murders in 2009, the number of homicides in the city of Richmond has been reduced to fourteen in 2014. This is the lowest homicide rate in the three decades and is a remarkable improvement for that community.

Employment and Human Services (EHSD)

In 2014, the Workforce Services Bureau successfully implemented AB 720 in partnership with the Contra Costa County Office of the Sheriff and Health Services Department thereby providing health care coverage for eligible inmates when they exit our county detention facilities.

The Community Services Bureau was awarded the county's venture capital grant in the amount of \$300,000 to expand the Child Location and Utilization system to all Community Services Bureau centers.

The Community Services Bureau applied for and received approximately \$500,000 in community grants to promote nutrition education for families.

The Workforce Development Board revamped its business services team to unify its human capital and other resources under singular leadership; this has been further enhanced by record-level improvements with the Contra Costa Small Business Development Center (SBDC), which helped create 318 jobs last year and supported the launch of 35 new businesses.

The Workforce Development Board continued to serve as the lead partner in the East Bay Biomedical Manufacturing Network (www.biomedmfg.org), a regional cluster development initiative that has received both state and national attention and recognition for innovation in economic and workforce development.

Health Services

Contra Costa Health Services (CCHS) continues to grow and evolve to serve the community. With the implementation of the Affordable Care Act (ACA), the number of people who now have access to health coverage continues to climb. Meeting this increased demand for expanded access is a priority.

Expanding Access and Improving Care: Since the January 1, 2014, implementation of the Affordable Care Act (ACA) two million people transitioned to Medi-Cal statewide in California. The ACA expanded Medi-Cal coverage to include individuals with incomes below 138% of the Federal Poverty Level. The ACA ensures all Medi-Cal health plans offer a comprehensive package of items and services, known as essential health benefits. Coverage includes a core set of services including doctor visits, hospital care, pregnancy-related services, home health and hospice care, as well as low-to-moderate mental health care, autism care, and some substance use disorder care.

As one of the State's Medi-Cal managed care health plans, the Contra Costa Health Plan (CCHP) saw its Medi-Cal membership grow by 34,000 last year and now provides comprehensive, quality health coverage to more than 172,000 people in Contra Costa County. These new CCHP members are enrolled through our Contra Costa Regional Medical Center and Health Centers network, the CCHP Community Provider Network, and Kaiser. To meet this additional demand for services, CCHP constantly works to expand its provider network by credentialing and contracting with needed specialty providers in the community.

The Contra Costa Regional Medical Center and Health Centers continue to increase capacity with capital improvements. More evening and weekend clinics were added at the health centers, and technology and innovative programs are being used to improve how care is provided. The ability to provide access, particularly to outpatient care, is a challenge as we continue to grow in CCHP membership. Continued investment in optimizing the appointment unit and the Electronic Health Record mycclink patient portal will offer alternative ways to access our system.

Service Integration: The Alcohol and Other Drugs Division is preparing for the delivery system waiver for the Drug Medi-Cal (DMC) Program. The DMC program provides substance use disorder treatment services to Medi-Cal beneficiaries. The waiver will give county officials more authority to select quality providers to meet drug treatment needs, and will strike an appropriate balance between ensuring access to these vital services while also ensuring that drug treatment services are being provided consistent with program goals.

The expansion of eligibility for substance use benefits in the Medi-Cal program under the Affordable Care Act will enable many additional Medi-Cal beneficiaries to receive enhanced substance use disorder treatment. The waiver will support coordination and integration across systems to the benefit of the beneficiary, with the goal being reduced emergency room services and hospital inpatient visits.

Library

Received the 2014 Achievement Award from the National Association of Counties (NaCo) for 'LiveChat', an online chat service providing information to the citizens of Contra Costa County on local government services. Whether it's zoning information, filing a fictitious business name, finding affordable housing, or reporting child or elder abuse, library staff can quickly point citizens to the online information, department, or service they need to efficiently and effectively transact business with the county online. In 2014, Library staff answered 15,000 individual requests for information through this service alone.

Contra Costa County Library continues to be an innovator and provider of diverse electronic information resources that enhance not only Contra Costa County but libraries across the state and nation. *Enki*, the online book lending platform created by Contra Costa County Library and Califa, continues to grow in popularity and usage by libraries across the state because it enables libraries to own their content instead of leasing it as it is done through commercial companies.

Public Defender

The recent passage of Proposition 47 provides opportunity for persons with certain criminal records to have their prior felony convictions reduced to misdemeanor status. Many persons who currently serve time in custody or under probation supervision are now eligible to petition the court for release under this new law. The Public Defender's Office will manage the court petitions for current and former clients. The department's goal is to file petitions on behalf of all eligible clients and to work collaboratively with community organizations to reach former clients who are eligible for relief under Proposition 47.

Public Works

Managed 68 capital projects with a total project cost of \$93 million including new construction, major remodels, energy systems, and landscaping projects. Major projects include completion of the Martinez Wellness Center, a new 10,000 square foot, single-story, outpatient health center which includes a mental health clinic and completion of the Crisis Residential Facility, also known as the "Hope House", which is a twenty-four hour residential treatment program.

Delivered a \$13 million capital improvement program for roadway, bridge, drainage, and airport projects that include safety improvements on Marsh Creek, Deer Valley, and Camino Tassajara roads, as well as bike and pedestrian improvements in several communities, and two bridge replacement projects.

Sheriff-Coroner

The Sheriff's Office continues to respond to challenges as a result of the impact of the Assembly Bill 109 (AB109) realignment initiative. During fiscal year 2014-15, the percentage of sentenced inmates in the county jail system increased by 9%, from 26% (2013) to 35%. The AB109 realignment sentencing guidelines continue to result in more inmates serving longer sentences within the county jails, contributing to the increase in the maximum security average daily population to near capacity levels.

Treasurer-Tax Collector

The Treasurer-Tax Collector's Office issued 413,150 Secured and Unsecured tax bills through February 20, 2015, of the fiscal year 2014-2015. Collections through February 20, 2015, were 60.08% of total outstanding taxes, which is 0.33% above the same timeframe last year. The collaboration with the California Franchise Tax Board Intercept program resulted in \$481,075 of tax revenue that otherwise would have been uncollectible. Despite another volatile year for the financial markets, the Treasurer received affirmation of AAAf/S1+ rating for highest credit quality and lowest volatility of the investment portfolio.

Improved efficiencies in taxpayer services include significant enhancements to the Treasurer-Tax Collector's website. The account and payment of real and personal property tax web pages were made more user-friendly while providing greater functionality. Online payment transaction costs for taxpayers were reduced by 0.15% for credit cards and \$0.45 for debit cards.

Veterans Service

The Veterans Service Office received a perfect score from the California Department of Veterans Affairs audit thereby preserving subvention funding.

Office of the County Administrator

The Department received the Government Finance Officers Association *Distinguished Budget Presentation Award* for the fourth year in a row.

In cooperation with District Attorney staff, the Office of the County Administrator's Law and Justice Systems Unit implemented Phase 1 of the District Attorney Case Management (Prosecutor by Karpel), for adult prosecution. The system automates workflow and improves efficiency by eliminating the need to reenter data, assisting with task assignment, automating documents, validating work, managing work, and generating alerts. The system is also expected to reduce error rates through ease of use and data validation. The system will provide users the ability to see, assign, reassign, monitor, and complete various work tasks assigned to users and work groups. The case information screen allows end users the ability to view all case related information in one screen. Attorneys, paralegals, victim advocates, witness coordinators, and supervisors user security provides authorized access to all case information including charges, co-defendants, court dates, documents, financials, victim services, civil, and investigative services.

Office of the Auditor-Controller

Contra Costa County received the State Controller's "Award for Achieving Excellence in Financial Reporting." This award serves to recognize that the county submitted an accurate and timely financial report for the fiscal year ended June 30, 2014. The county's reporting excellence helps the State Controller's Office publish accurate and useful local government financial data in the Counties Annual Report. Policymakers and other interested parties throughout California rely on the quality of this uniformly reported information.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Contra Costa County for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the thirty-third consecutive year the county has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Office of the Auditor-Controller. I would like to express my appreciation to all members of the Office who assisted and contributed to its preparation. I would also like to thank the members of the Board of Supervisors and the County Administrator for conducting the financial operations of the county in a responsible and progressive manner.

Respectfully submitted,



Robert R. Campbell
Auditor-Controller

COUNTY OF CONTRA COSTA

PUBLIC OFFICIALS

June 30, 2015

ELECTED OFFICIALS

Supervisor, District 1	John M. Gioia
Supervisor, District 2	Candace Andersen
Supervisor, District 3	Mary N. Piepho
Supervisor, District 4	Karen Mitchoff
Supervisor, District 5	Federal D. Glover
Assessor	Gus S. Kramer
Auditor-Controller	Robert R. Campbell
Clerk-Recorder	Joseph Canciamilla
District Attorney-Public Administrator	Mark A. Peterson
Sheriff-Coroner	David O. Livingston
Treasurer-Tax Collector	Russell V. Watts

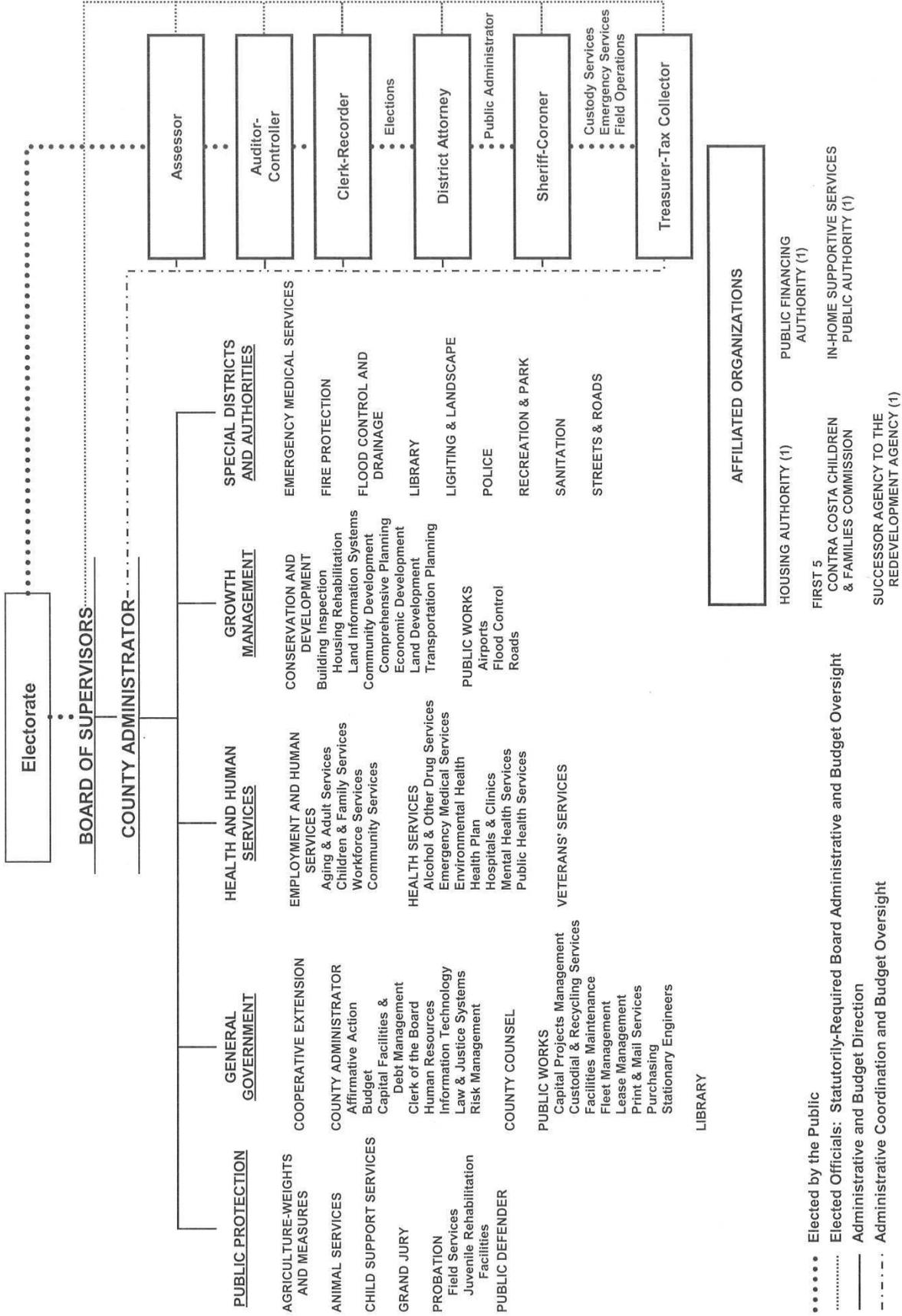
APPOINTED OFFICIALS

County Administrator	David Twa
County Counsel	Sharon Anderson
County Librarian	Jessica Hudson
County Probation Officer	Philip Kader
Director of Animal Services	Glenn Howell
Director of Child Support Services	Linda Dippel
Director of Conservation and Development	John Kopchick
Director of Cooperative Extension	Shelley Murdock
Director of Employment and Human Services	Kathy Gallagher
Director of Health Services	William Walker, MD
Director of Human Resources	Vacant
Director of Public Works	Julie Bueren
Agricultural Commissioner-Director of Weights and Measures	Chad A. Godoy
Chief Information Officer	Ed Woo
Public Defender	Robin Lipetzky
County Veterans' Services Officer	Nathan D. Johnson
Contra Costa County Fire Protection District	Chief Jeffrey A. Carman
Crockett-Carquinez Fire Protection District	Chief Jerry Littleton, Jr.

AFFILIATED ORGANIZATIONS

Executive Director, First 5 Contra Costa Children and Families Commission	Sean Casey
Executive Director, Housing Authority of the County of Contra Costa	Joseph Villarreal
Executive Director, County of Contra Costa Public Financing Authority	David Twa
Executive Director, Successor Agency to the Contra Costa County Redevelopment Agency	David Twa
Executive Director, In-Home Supportive Services Public Authority	John Cottrell

Organizational Chart of Contra Costa County



(1) Authority/Agency Board is the Board of Supervisors



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Contra Costa
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Financial Section





INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors of
the County of Contra Costa
Martinez, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Contra Costa, California (County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the First 5 Contra Costa Children and Families Commission and the Housing Authority of the County of Contra Costa, which together comprises the entire aggregate discretely presented component units' opinion unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Implementation of New Accounting Pronouncements

As discussed in Note 1(B) to the financial statements, effective July 1, 2014, the County adopted the provisions of the following Governmental Accounting Standards Board (GASB) statements.

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*;
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*; and
- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*.

Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress for other postemployment benefits, the schedule of proportionate share of the net pension liability, the schedule of contributions, and the budgetary comparison schedules of the General Fund and major special revenue funds, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and budgetary schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 14, 2015



COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2015

This section of the County of Contra Costa's Comprehensive Annual Financial Report presents a discussion and analysis of the financial activities of the county for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our Letter to the Board of Supervisors and Citizens of the County.

Financial Highlights

- The government-wide liabilities and deferred inflows of resources of the county exceeded its assets and deferred outflows of resources at the close of fiscal year 2014-2015 for a deficit net position of \$191,871,000, a 122.5% decrease from the prior year net position. Of this amount, \$761,551,000 represented the county's net investment in capital assets, an increase of 3.5%. Of the remaining net position, \$424,030,000 was restricted for specific purposes (restricted net position), an increase of 33.7%, and net position available to meet the county's ongoing obligations to its citizens and creditors was in deficit by \$1,377,452,000, an increase to the net deficit of 587.7%. The significant increase in the deficit balance of unrestricted net position, as well as the significant decrease to net position overall, was a direct effect of the implementation of GASB Statement No. 68 and the recognition of a \$924,653,000 net pension liability.
- As of June 30, 2015, the county's governmental funds reported, in the fund financial statements, ending fund balance of \$761,739,000, an increase of 13.1% from the prior year. Of this total amount, \$341,165,000 (44.8%), is available to meet the county's current and future needs.
- Available (committed, assigned, and unassigned) fund balance in the county's chief operating fund, the General Fund, was \$275,560,000 at year end or 21.9% of its total expenditures for the year.
- As of June 30, 2015, the county's enterprise funds reported, in the fund financial statements, a deficit ending net position of \$97,999,000, a decrease to net position of 48.1% from the prior year, as restated.
- Net position of the internal service funds was a deficit of \$7,743,000, a decrease to net position of \$8,817,000 from the prior year, as restated.
- The county's total debt decreased by \$45,752,000 (6.0%) during fiscal year 2014-2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the county's basic financial statements. The county's basic financial statements are comprised of three parts as follows: (1) **government-wide** financial statements; (2) **fund** financial statements; and (3) **notes** to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the county's finances in a manner similar to a private-sector business.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2015

The **statement of net position** presents information on all of the county's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the net of assets and deferred outflows of resources less liabilities and deferred inflows of resources being reported as net position (deficit). Over time, increases or decreases in net position (deficit) may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The **statement of activities** presents information showing how the county's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that only will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the county that principally are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government, public protection, health and sanitation, public assistance, education, public ways and facilities, and recreation and culture. The business-type activities of the county include the County Hospital, Health Maintenance Organization (HMO) Medi-Cal Plan, Health Maintenance Organization (HMO) Commercial Plan, Airport, Sheriff Law Enforcement Training Center, and Major Risk Medical Insurance.

Fund Financial Statements

The fund financial statements report groupings of related accounts and are used to maintain control over resources that have been segregated for specific activities and objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county can be divided into three categories as follows: (1) **governmental** funds; (2) **proprietary** funds; and (3) **fiduciary** funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources that are available for spending as well as on balances of resources that are available for spending at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the county's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The county maintains twenty six (26) individual governmental funds (e.g. general fund, special revenue funds, debt service funds, capital projects fund, and permanent fund) for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues,

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2015

expenditures, and changes in fund balances for the General Fund and Contra Costa County Fire Protection District Special Revenue Fund, which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of those nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The county adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds used by the county are of two different types as follows: (1) enterprise funds; and (2) internal service funds. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in the enterprise funds sections of the proprietary fund statement of net position and in the proprietary fund statement of revenues, expenses, and changes in net position for the County Hospital Enterprise Fund and HMO Medical Plan, which are considered to be major funds. Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of those nonmajor enterprise funds is provided in the form of combining statements and schedules elsewhere in this report.
- **Internal service funds** are used to accumulate and allocate costs internally among the county's various functions. The county uses internal service funds to account for its administrative costs and payment of claims for its various insurance programs to protect county assets and employees. During fiscal year 2008–2009, an internal service fund for fleet services was established to account for the rental of motor vehicles to other departments and related costs. The internal service funds are allocated between the governmental functions and business-type activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of entities legally separate from the county and individuals, which are not part of the reporting entity. The Contra Costa County Other Employee Benefit Trust Fund, the county's investment trust fund, the Successor Agency to the Contra Costa County Redevelopment Agency and other private-purpose trust funds, and agency funds are reported under fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2015

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the county's major governmental funds budget and actual comparisons, schedule of funding progress for the other postemployment benefits, and schedules of proportionate share of the net pension liability and contributions.

Combining Statements and Schedules

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information (other than MD&A).

Component Units

The blended component units, as described in Note 1.A in the "Notes to the Basic Financial Statements," are included in all three parts of the county's basic financial statements. The county and its blended component units constitute the primary government. In addition to the blended component units, the government-wide financial statements and the notes to the basic financial statements also include the discretely presented component units described in Note 1.A in the "Notes to the Basic Financial Statements."

GOVERNMENT-WIDE FINANCIAL ANALYSIS

COUNTY'S NET POSITION
June 30, 2015 and 2014
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease) Percent Change
	2015	2014	2015	2014	2015	2014	
Assets:							
Current and other assets	\$ 1,117,220	1,334,533	392,533	241,912	1,509,753	1,576,445	(4.2) %
Capital assets	839,112	828,876	182,758	188,371	1,021,870	1,017,247	0.5
Total assets	<u>1,956,332</u>	<u>2,163,409</u>	<u>575,291</u>	<u>430,283</u>	<u>2,531,623</u>	<u>2,593,692</u>	(2.4) %
Deferred Outflows of Resources:							
Loss on refunding of debt	4,194	4,489	5,298	6,858	9,492	11,347	(16.3) %
Deferred pension outflows	102,643		42,973		145,616		
Total deferred outflows of resources	<u>106,837</u>	<u>4,489</u>	<u>48,271</u>	<u>6,858</u>	<u>155,108</u>	<u>11,347</u>	1,267.0 %
Liabilities:							
Current and other liabilities	107,311	101,382	158,081	160,792	265,392	262,174	1.2 %
Long-term liabilities	<u>1,956,966</u>	<u>1,316,791</u>	<u>528,403</u>	<u>173,796</u>	<u>2,485,369</u>	<u>1,490,587</u>	66.7
Total liabilities	<u>2,064,277</u>	<u>1,418,173</u>	<u>686,484</u>	<u>334,588</u>	<u>2,750,761</u>	<u>1,752,761</u>	56.9 %
Deferred Inflows of Resources:							
Deferred pension inflows	<u>94,562</u>		<u>33,279</u>		<u>127,841</u>		
Total deferred inflows of resources	<u>94,562</u>		<u>33,279</u>		<u>127,841</u>		
Net Position (Deficit):							
Net investments in capital assets	712,986	692,980	48,565	42,521	761,551	735,501	3.5 %
Restricted	424,030	317,075			424,030	317,075	33.7
Unrestricted	<u>(1,232,686)</u>	<u>(260,330)</u>	<u>(144,766)</u>	<u>60,032</u>	<u>(1,377,452)</u>	<u>(200,298)</u>	(587.7)
Total net position (deficit)	<u>\$ (95,670)</u>	<u>749,725</u>	<u>(96,201)</u>	<u>102,553</u>	<u>(191,871)</u>	<u>852,278</u>	(122.5) %

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2015

Analysis of Government-wide Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The county's total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources for a deficit net position of \$191,871,000 at June 30, 2015. The largest portion of the county's total net position, \$761,551,000 (396.9%), reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery, software, and equipment, less any related debt used to acquire those assets). The county uses capital assets to provide services to citizens; consequently, those assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate those liabilities. An additional portion of the county's total net position, \$424,030,000 (221.0%), represents resources that are subject to external restrictions on usage. The major restriction on net position, \$388,586,000, is for legally segregated taxes, grants, and fees.

The remaining portion of total net position is a deficit of \$1,377,452,000 (717.9%) and is unrestricted. Unrestricted net position of governmental activities is a deficit of \$1,232,686,000. It continues to be negative primarily due to the inclusion of the governmental activities share of the net pension liability of \$666,995,000 and OPEB liability of \$494,795,000 in the primary government.

Unrestricted net position of business-type activities is a deficit of \$144,766,000, which is a decrease in net position from the prior year primarily due to the inclusion of the business-type activities share of the net pension liability of \$257,658,000.

As a result of the implementation of GASB Statement No. 68, the 2015 balances reflect the restatement of beginning net position to include the net pension liability beginning balance and the removal of the prepaid pension asset.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2015

COUNTY'S CHANGE IN NET POSITION
For the Fiscal Years Ended June 30, 2015 and 2014
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease) Percent Change
	2015#	2014	2015#	2014	2015	2014	
Revenues:							
Program revenues:							
Charges for services	\$ 344,549	327,690	1,197,425	908,761	1,541,974	1,236,451	24.7 %
Operating grants and contributions	750,821	721,594	14,523	26,783	765,344	748,377	2.3
Capital grants and contributions	22,385	15,738	5,808	5,749	28,193	21,487	31.2
General revenues:							
Taxes	499,048	462,627			499,048	462,627	7.9
Grants/contributions not restricted	17,008	15,524			17,008	15,524	9.6
Investment earnings	34,741	34,950			34,741	34,950	(0.6)
Other	16,718	28,823	413	284	17,131	29,107	(41.1)
Total revenues	<u>1,685,270</u>	<u>1,606,946</u>	<u>1,218,169</u>	<u>941,577</u>	<u>2,903,439</u>	<u>2,548,523</u>	<u>13.9</u>
Expenses:							
General government	138,979	177,482			138,979	177,482	(21.7)
Public protection	539,353	536,087			539,353	536,087	0.6
Health and sanitation	228,861	231,673			228,861	231,673	(1.2)
Public assistance	445,016	438,255			445,016	438,255	1.5
Education	22,867	23,188			22,867	23,188	(1.4)
Public ways and facilities	41,426	37,067			41,426	37,067	11.8
Recreation and culture	1,843	1,138			1,843	1,138	62.0
Interest on debt	36,353	40,797			36,353	40,797	(10.9)
County Hospital			472,557	486,797	472,557	486,797	(2.9)
Airport			4,182	4,394	4,182	4,394	(4.8)
Sheriff Law Enforcement Training Center			1,370	1,456	1,370	1,456	(5.9)
HMO Medi-Cal Plan			576,801	343,805	576,801	343,805	67.8
HMO Commercial			86,207	102,258	86,207	102,258	(15.7)
Major Risk Medical Insurance			422	744	422	744	(43.3)
Total expenses	<u>1,454,698</u>	<u>1,485,687</u>	<u>1,141,539</u>	<u>939,454</u>	<u>2,596,237</u>	<u>2,425,141</u>	<u>7.1</u>
Change in net position before transfers	230,572	121,259	76,630	2,123	307,202	123,382	149.0
Transfers	<u>(13,611)</u>	<u>(5,942)</u>	<u>13,611</u>	<u>5,942</u>			
Change in net position	<u>216,961</u>	<u>115,317</u>	<u>90,241</u>	<u>8,065</u>	<u>307,202</u>	<u>123,382</u>	<u>149.0</u>
Net Position, Beginning of Year	749,725	634,408	102,553	94,488	852,278	728,896	16.9
Adjustments to beginning net position	<u>(1,062,356)</u>		<u>(288,995)</u>		<u>(1,351,351)</u>		
Net Position (Deficit), Beginning of Year, as Restated	<u>(312,631)</u>	634,408	<u>(186,442)</u>	94,488	<u>(499,073)</u>	728,896	<u>(168.5)</u>
Net Position (Deficit), End of Year	<u>\$ (95,670)</u>	<u>749,725</u>	<u>(96,201)</u>	<u>102,553</u>	<u>(191,871)</u>	<u>852,278</u>	<u>(122.5) %</u>

The county made a restatement of net position for the governmental and business-type activities. See Note 2 of the Notes to the basic financial statements.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
 June 30, 2015

Analysis of the Changes in Government-wide Net Position

As a result of current year activity, the county's net position increased by \$307,202,000 during fiscal year 2014-2015. Governmental activities increased the county's net position by \$216,961,000 and business-type activities increased the county's net position by \$90,241,000. The changes are explained below in the governmental activities and business-type activities discussions.

Governmental Activities

Current year governmental activities increased the county's net position by \$216,961,000. The increase in net position primarily is due to an overall current year increase in revenues, most notably charges for services, operating grants and contributions, and tax revenues. There was also a decrease in expenses, most notably in general government.

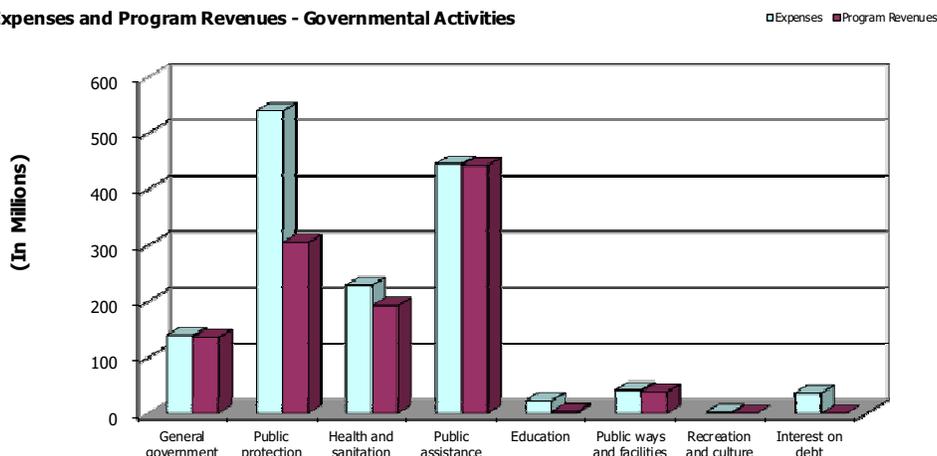
Charges for services increased by \$16,859,000 (5.1%) due to an increase in fines, forfeitures and penalties and road maintenance charges.

The operating grants and contributions reported in governmental activities increased by \$29,227,000 (4.1%). The increase in operating grants and contributions primarily relates to an increase in the State Aid Realignment sales taxes and Federal Public Assistance for program maintenance.

Overall, tax revenue increased by \$36,421,000 (7.9%). Property taxes increased by \$36,729,000 (8.7%). A continued slight improvement of the housing market allowed a rise in assessed valuations of real property resulting in an increase in property taxes.

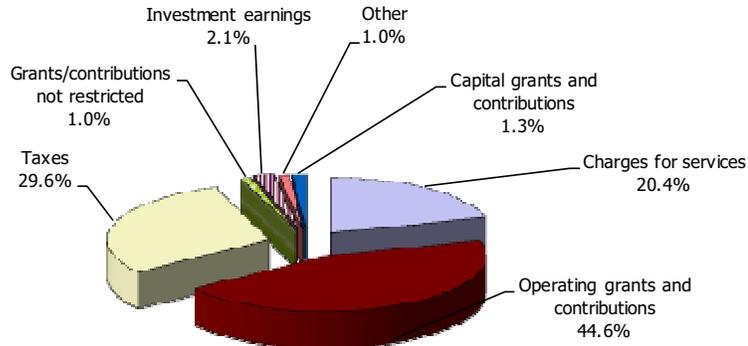
Expenses for governmental activities decreased by \$30,989,000 (2.1%) with the implementation of GASB 68. This was mainly due to the reclassification of the county's contributions from expense to pension liability reduction and recognition of a lower GASB 68 defined pension expense.

Expenses and Program Revenues - Governmental Activities



COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
 June 30, 2015

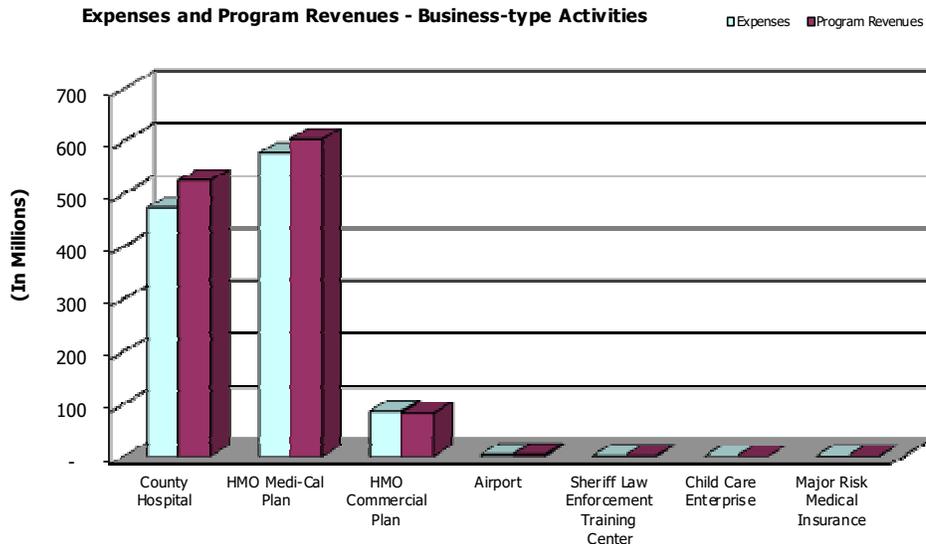
Revenues by Source - Governmental Activities



Business-type Activities

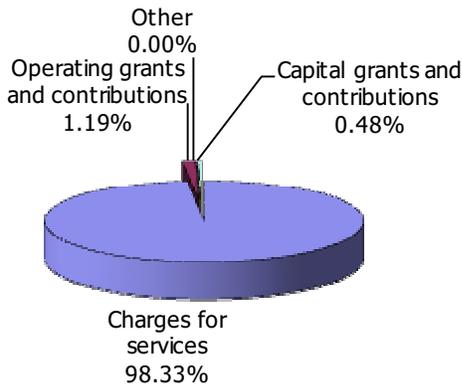
Overall, current year business-type activities increased the county's net position by \$90,241,000. While program revenues increased by \$276,463,000, expenses only increased by \$202,085,000. The HMO Medi-Cal Plan had a significant increase in program revenues of \$252,387,000 and expenses of \$232,996,000. The increase in revenue is mainly due to an increase in the Affordable Care Act (ACA) Adult Expansion Population in addition to an increase in enrollment and capitation rates in other non-ACA categories. The increase in expenses was a related increase in utilization and claims.

Expenses exceeded program revenues for HMO Commercial Plan and Airport.



COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2015

Revenues by Source - Business-type Activities



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

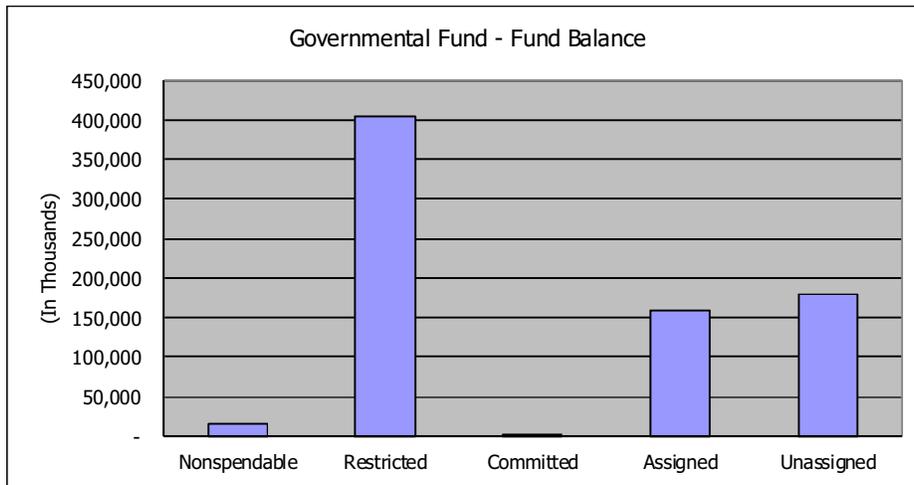
The county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is an analysis of the activities of the county's funds for fiscal year 2014-2015 as reported in the fund-basis financial statements.

Governmental Funds

The focus of the county's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful to assess the county's financing requirements. In particular, unrestricted (committed, assigned, and unassigned) fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the county include the general, special revenue, debt service, capital projects, and permanent funds.

As of June 30, 2015, the county's governmental funds reported combined ending fund balances of \$761,739,000, an increase of \$87,964,000 in comparison with the prior year. Approximately \$341,165,000 (44.8%) of those fund balances is available to meet the county's current and future needs. The remainder of the fund balances, \$420,574,000 (55.2%), is either nonspendable or restricted for specific spending.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
 June 30, 2015



General Fund

The General Fund is the primary operating fund of the county. At June 30, 2015, the unrestricted fund balance was \$275,560,000, an increase of \$53,556,000 (24.1%) in comparison with the prior year, while total general fund balance was \$295,337,000, an increase of \$58,133,000 (24.5%) in comparison with the prior year. As a measure of the General Fund's liquidity, both unrestricted fund balance and total fund balance can be compared to total fund expenditures. Unrestricted fund balance represents 21.9% of total General Fund expenditures, while total fund balance represents 23.5%. For the prior year, those figures were 19.0% and 20.3%, respectively.

General Fund revenues increased by \$66,976,000 (5.2%), while expenditures increased by \$92,201,000 (7.9%) in comparison with the prior year. Revenues exceeded expenditures by \$106,481,000 (8.5%), in comparison with \$131,706,000 in the prior year.

Revenues

Taxes increased by \$22,117,000 (7.0%). The increase was due to an increase of property taxes, sales and use taxes, and taxes in lieu of sales and use tax.

Intergovernmental revenue increased by \$27,828,000 (5.7%). The increase was due to the increase in state aid for mandated expenses, realignment taxes, and public safety services in fiscal year 2014-2015.

Charges for services revenue increased by \$12,835,000 (6.2%). The increase was due to an increase in candidate filing fees, building maintenance fees, Mental Health Medi-Cal claims, and contracted law enforcement services.

Expenditures

General Government expenditures increased by \$12,969,000 (8.8%). The majority of the increase was due to facility maintenance and improvements of \$8,008,000 on various county sites.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
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June 30, 2015

Public Protection expenditures increased by \$40,248,000 (11.5%). The most significant increases were for Sheriff \$13,194,000 (10.8%); Jail \$3,877,000 (6.1%); Probation program-care of court wards \$2,462,000 (2.5%); and District Attorney \$2,533,000 (7.8%).

Public assistance expenditures increased by \$27,812,000 (7.3%). The most significant increases were for Workforce Services \$11,077,000 (5.8%), Children and Family Services \$4,242,000 (4.8%), and Aging and Adult Services \$3,921,000 (8.1%)

CCC Fire Protection District Special Revenue Fund

The CCC Fire Protection District Special Revenue Fund provides fire and emergency medical services to nine cities and certain unincorporated areas in the county. The District's fund balance increased by \$3,947,000 (12.9%) during fiscal year 2014-2015.

Revenues increased by \$12,700,000 (13.4%), while expenditures increased by \$22,690,000 (25.2%). An increase in tax revenues of \$10,875,000 from a continued slight improvement of the housing market allowed a rise in assessed valuations of real property resulting in an increase in property taxes.

Nonmajor Funds

The composition of funds included in the nonmajor governmental funds changed in the current fiscal year due to the reclassification of the Health and Sanitation Special Revenue Fund from major to nonmajor. The fund balance for the nonmajor special revenue funds increased by \$20,693,000 (5.6%) during fiscal year 2014-2015. Intergovernmental revenues increased by \$5,813,000 (2.4%) and charges for services increased by \$5,830,000 (11.9%). Expenditures increased by \$18,951,000 (4.9%) due mainly to an increase in public ways and facilities of \$18,247,000 (41.8%).

Debt service funds had an increase in fund balance of \$5,204,000 (14.6%) due mainly to a decrease in principal and interest expense as a result of the final payment of a pension obligation bond occurring in 2013-2014. The capital projects fund had a \$1,000 increase in fund balance.

Proprietary Funds

As mentioned earlier, the county's proprietary fund financial statements provide the same type of information found in the government-wide financial statements but in more detail.

Net position at June 30, 2015, was a deficit of \$151,222,000 for the County Hospital Enterprise Fund, \$25,604,000 for the HMO Medi-Cal Plan, and \$27,619,000 for the nonmajor enterprise funds. As a result of operations during the year, net position of the County Hospital Enterprise Fund increased by \$63,517,000, net position of HMO Medi-Cal Plan increased by \$25,746,000, and net position of the nonmajor enterprise funds increased by \$1,397,000. Due to the implementation of GASB Statement No. 68, an adjustment to beginning net position was necessary. This resulted in a decrease to beginning net position of \$272,834,000 to the County Hospital Enterprise Fund, \$14,194,000 to the HMO Medi-Cal Plan, and \$1,967,000 to the nonmajor enterprise funds.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2015

Net position of the internal service funds was a deficit of \$7,743,000. As a result of operations during the year, the net position of the Workers' Compensation Insurance Fire Protection Internal Service Fund increased by \$1,083,000, decreasing the deficit net position balance to \$11,405,000. The Workers' Compensation County General Internal Service Fund decreased by \$5,691,000, increasing the deficit net position balance to \$19,991,000. The remaining internal service funds had an overall decrease of \$2,537,000. Due to the implementation of GASB Statement No. 68, the Fleet Internal Service Fund had an adjustment to beginning net position reducing it by \$1,672,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

The county's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and supplemental appropriations approved during the fiscal year. Total budgeted revenues were increased by \$15,763,000 (1.2%) in the final budget. Actual revenues were less than final budgeted revenues by \$6,853,000 (0.5%). Total budgeted expenditures increased by \$38,207,000 (2.8%) in the final budget. Actual expenditures were less than final budgeted expenditures by \$159,139,000 (11.2%). Significant factors impacting those changes were as follows:

Original Budget vs. Final Budget

Revenue Variances

- Intergovernmental revenue budget increased primarily due to appropriation adjustments to reallocate the budget to cover unanticipated revenues.
- Other revenue budget increased primarily due to increased California AB109 Public Safety Realignment funds and an increase in the District Attorney and Public Defender Parole revocation funding from the adopted budget level.

Expenditure Variances

- The Final Budget for General Government-Building Maintenance included an increase to appropriations for building services administration due to change in realignment funds for increased activities.
- The Final Budget for General Government-plant acquisition included an increase to appropriations due to numerous improvement projects.
- The Final Budget for General Government-County-State-WCCHCD IGT was increased due to the approval of a \$4,000,000 intergovernmental transfer agreement between the county and Doctors Medical Center.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2015

Final Budget vs. Actual Amounts

Revenue Variances

- Tax revenue (property) was higher than expected by approximately \$24,770,000.
- Intergovernmental revenue was lower than expected, by approximately \$27,324,000, primarily due to Employment and Human Services Department-Administration, Workforces Services, California Health Benefit Marketplace, and Housing and Urban Development block grants being lower than anticipated.
- Other revenue was higher than expected by approximately \$7,709,000, which was primarily due to a reclassification of funds in the Sheriff-Contract Services and Health Services-Mental Health areas from intrafund activity.

Expenditure Variances

- General Government-Employee Benefits expenditures from Medicare Part D were less than budgeted.
- General Government-Facility Life Cycle Improvement Program (FLIP)-expenditures were less than expected due to the start and/or completion of projects being delayed. These delays included: (i) an assessment of building needs that was not completed by the contractor until the Spring; and, (ii) contractor and bidding scheduling delays.
- General Government-Plant Acquisition expenditures were less than budgeted due to solar installation projects performed. The Plant Acquisition expenditures have been rebudgeted for fiscal year 2015-2016 for this purpose.
- Public Protection-Sheriff Jail-Sheriff salaries and employee benefits were lower than anticipated due to vacancies. The AB109 program budgeted \$1.1 million for facility improvements, but no costs were generated.
- Public Assistance-Community Services salaries and benefits, child care administrative cost, and office supplies were less than anticipated.
- Public Assistance-Cal Health Benefit Marketplace operations expenditures, most notably salaries and benefits and occupancy costs, were less than budgeted. As previously noted, intergovernmental revenue was also less than budgeted.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
 June 30, 2015

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

COUNTY'S CHANGES IN CAPITAL ASSETS							
(Net of Depreciation)							
(In Thousands)							
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>		<u>Increase/ (Decrease)</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>Percent Change</u>
Infrastructure	\$ 392,929	400,492			392,929	400,492	(1.9) %
Land	67,566	67,566	16,368	15,516	83,934	83,082	1.0
Structures and improvements	231,560	245,333	152,200	150,350	383,760	395,683	(3.0)
Equipment	39,690	40,586	10,949	11,640	50,639	52,226	(3.0)
Intangibles	6,739	9,050	2,516	1,593	9,255	10,643	(13.0)
Construction in progress	<u>100,628</u>	<u>65,849</u>	<u>725</u>	<u>9,272</u>	<u>101,353</u>	<u>75,121</u>	<u>34.9</u>
Total	<u>\$ 839,112</u>	<u>828,876</u>	<u>182,758</u>	<u>188,371</u>	<u>1,021,870</u>	<u>1,017,247</u>	<u>0.5 %</u>

The county's investment in capital assets for its governmental and business-type activities as of June 30, 2015, was \$1,021,870,000 (net of accumulated depreciation). The investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, software, park facilities, roads, highways, drainage systems, and bridges. The county's total investment in net capital assets for fiscal year 2014-2015 increased by 0.5% (a 1.2% increase for governmental activities and a 3.0% decrease for business-type activities). The county's capital acquisitions exceeded retirement of capital assets and depreciation expense.

The major activity of capital assets for governmental and business-type activities was:

Road infrastructure and construction in progress	\$21,133,000
Drainage infrastructure and construction in progress	\$ 5,078,000
Building and building construction in progress	\$ 7,332,000

Construction included the completion of numerous construction projects such as Deer Valley Road Safety Improvement, Pacheco Blvd. landscaping and Delta Road bike lane and pedestrian pathway to name a few.

Specific changes in governmental and business-type activities are presented in Note 7, in the "Notes to the Basic Financial Statements."

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)

June 30, 2015

Long-Term Debt

Long-term debt for the governmental and business-type activities is presented below to illustrate changes from the prior year:

COUNTY'S OUTSTANDING DEBT
 Retirement Litigation Settlement, Capital Lease Obligations, Pension Obligation Bonds,
 Notes Payable, Other Bonds Payable, Lease Revenue Bonds, Tax Allocation Bonds and Special Assessment Debt
 (In Thousands)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2015	2014	2015	2014	2015	2014	Percent Change
Retirement litigation settlement	16,563	17,892			16,563	17,892	(7.4)
Capital lease obligations	13,098	3,778	227		13,325	3,778	252.7
Pension obligation bonds	329,725	358,445			329,725	358,445	(8.0)
Notes payable	1,146	1,276	1,193	1,327	2,339	2,603	(10.1)
Other bonds payable	885	1,285			885	1,285	(31.1)
Lease revenue bonds	114,373	126,090	138,131	148,132	252,504	274,222	(7.9)
Tax allocation bonds	90,400	92,445			90,400	92,445	(2.2)
Special assessment debt	6,069	6,892			6,069	6,892	(11.9)
Total	<u>\$ 572,259</u>	<u>608,103</u>	<u>139,551</u>	<u>149,459</u>	<u>711,810</u>	<u>757,562</u>	<u>(6.0) %</u>

At June 30, 2015, the county had total long-term debt outstanding of \$711,810,000. The county's legal debt limit was \$8,175,584,000. During the year, the county's liabilities for long-term debt decreased by \$45,752,000 (6.0%). Specific changes in governmental and business-type activities are presented in Note 10 in the "Notes to the Basic Financial Statements."

Refer also to the information on the Debt Management Policy in the Letter of Transmittal (page viii).

Over the recent years of recession, the county experienced significant reductions in assessed valuation and property tax revenues compared to earlier periods of robust growth. In response, the county drastically cut expenditures growth, reduced the workforce, and lowered its OPEB liabilities. As a result of these long-term actions, Standard and Poor's Ratings Service (S&P) upgraded the county's long-term credit rating two notches from AA to AAA, the highest possible credit rating. Only six California counties have a AAA rating from S&P. In addition, S&P upgraded the county's pension obligation bonds and lease revenue bonds two notches from AA- to AA+. In July 2015, S&P reaffirmed the county's AAA rating citing very strong management, budget flexibility, and liquidity. In addition, S&P noted the county's location within the very strong Bay Area economy as key factors supporting the rating levels.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
 June 30, 2015

The outlook on the county's credit ratings continued to be "stable" by both S&P and Moody's Investors Service (Moody's) during fiscal year 2014-2015. The county's underlying long-term ratings are as follows:

Type of Issue	S&P	Moody's
Issuer rating/implied general obligation bond rating	AAA	Aa2
Pension obligation bonds	AA+	A1
Lease revenue bonds	AA+	A1

At the time of issuance of most of its lease revenue bond series and pension obligation bond series, the county purchased municipal bond insurance policies that resulted in those series being rated in the highest possible rating categories of AAA (S&P) and Aaa (Moody's). Municipal bond insurers have been downgraded since early 2008. When the insured rating falls below the county's underlying rating, the affected series of bonds carries only the county's underlying ratings. All of the county's lease revenue bond issues now carry only the county's underlying ratings of AA+ (S&P) and A1 (Moody's). The county's pension obligation bond series carry insured ratings of AA- (S&P) and A2 (Moody's). These series have underlying ratings of AA+ (S&P) and A1 (Moody's). The pension obligation bonds were downgraded by Moody's from Aa3 to A1 on February 20, 2013.

KNOWN FACTS, DECISIONS AND CONDITIONS THAT ARE EXPECTED TO HAVE A SIGNIFICANT EFFECT ON FINANCIAL POSITION OR RESULTS OF OPERATIONS NEXT YEAR

- Increase of countywide assessed valuation of 7.53%.
- Continuing to fund OPEB obligation at \$20 million per year.
- Labor agreements were negotiated for the majority of Bargaining Units during the previous fiscal year; the majority of labor contracts will expire June 30, 2016.
- General fund budget structurally balanced.
- All of the facts, decisions, and conditions listed above were considered in preparing the county's budget for fiscal year 2015-2016.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the county's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Auditor-Controller, 625 Court Street, Room 103, Martinez, CA 94553-1282.

COUNTY OF CONTRA COSTA
STATEMENT OF NET POSITION
 JUNE 30, 2015
 (In Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	First 5 Contra Costa Children and Families Commission	Housing Authority of the County of Contra Costa*
Assets:					
Cash and investments	\$ 738,052	229,810	967,862	30,100	7,282
Receivables (net)	204,995	168,092	373,087	1,822	652
Inventories	2,614	3,923	6,537		
Internal balances	22,090	(22,090)			
Notes receivable	100,107		100,107	321	485
Prepaid items and deposits	12,912	8,252	21,164	94	223
Land held for resale	9,021		9,021		
Prepaid OPEB asset				110	
Other noncurrent assets					348
Restricted assets:					
Restricted cash and investments	27,429	4,546	31,975		2,606
Capital assets:					
Nondepreciable	168,194	17,093	185,287	246	3,547
Depreciable, net	670,918	165,665	836,583	488	35,268
Total assets	<u>1,956,332</u>	<u>575,291</u>	<u>2,531,623</u>	<u>33,181</u>	<u>50,411</u>
Deferred Outflows of Resources:					
Loss on refunding of debt	4,194	5,298	9,492		
Deferred pension outflows	102,643	42,973	145,616	388	
Total deferred outflows of resources	<u>106,837</u>	<u>48,271</u>	<u>155,108</u>	<u>388</u>	
Liabilities:					
Accounts payable and accrued liabilities	75,845	156,715	232,560	260	1,439
Accrued interest payable	7,115	591	7,706		48
Due to other agencies				179	
Welfare program advances	6,042		6,042		
Unearned revenue	18,309	775	19,084	1,093	225
Noncurrent liabilities:					
Due within one year	94,281	15,316	109,597	18	723
Due in more than one year	1,862,685	513,087	2,375,772	1,844	19,667
Total liabilities	<u>2,064,277</u>	<u>686,484</u>	<u>2,750,761</u>	<u>3,394</u>	<u>22,102</u>
Deferred Inflows of Resources:					
Deferred pension inflows	94,562	33,279	127,841	217	
Net Position:					
Net investment in capital assets	712,986	48,565	761,551	734	22,739
Restricted for:					
Legally segregated taxes, grants and fees	388,586		388,586		
Tenant deposits					1,934
Debt service	33,633		33,633		
Permanent fund:					
Expendable portion	82		82		
Nonexpendable portion	1,729		1,729		
Total restricted net position	<u>424,030</u>		<u>424,030</u>		<u>1,934</u>
Unrestricted	<u>(1,232,686)</u>	<u>(144,766)</u>	<u>(1,377,452)</u>	<u>29,224</u>	<u>3,636</u>
Total net position (deficit)	<u>\$ (95,670)</u>	<u>(96,201)</u>	<u>(191,871)</u>	<u>29,958</u>	<u>28,309</u>

* Housing Authority of the County of Contra Costa reported as of March 31, 2015.
 See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

Function/Program Activities:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary government:				
Governmental activities:				
General government	\$ 138,979	117,899	17,575	
Public protection	539,353	121,529	183,588	
Health and sanitation	228,861	88,885	103,795	
Public assistance	445,016	2,205	440,166	
Education	22,867	741	2,798	
Public ways and facilities	41,426	13,250	2,807	22,385
Recreation and culture	1,843	40	92	
Interest on debt	36,353			
Total governmental activities	1,454,698	344,549	750,821	22,385
Business-type activities:				
County Hospital	472,557	505,641	13,963	5,808
HMO Medi-Cal Plan	576,801	603,042		
HMO Commercial Plan	86,207	83,200	92	
Airport	4,182	4,019	97	
Sheriff Law Enforcement Training Center	1,370	1,101	371	
Major Risk Medical Insurance	422	422		
Total business-type activities	1,141,539	1,197,425	14,523	5,808
Total primary government	\$ 2,596,237	1,541,974	765,344	28,193
Component units:				
First 5 Contra Costa Children and Families Commission	\$ 14,082		10,891	
Housing Authority of the County of Contra Costa	103,418	5,881	90,964	503

GENERAL REVENUES:

Taxes:

Property

Sales

Other

Grants/contributions not restricted

Investment earnings

Other

TRANSFERS

Total general revenues and transfers

Change in net position

NET POSITION, BEGINNING OF YEAR,
AS PREVIOUSLY REPORTED

Restatement of beginning net position

NET POSITION (DEFICIT), BEGINNING OF YEAR,
AS RESTATED

NET POSITION (DEFICIT), END OF YEAR

* Housing Authority of the County of Contra Costa reported as of March 31, 2015.
See accompanying notes to the basic financial statements.

Net (Expenses) Revenues and Changes in Net Position			Component Units	
Governmental Activities	Business- type Activities	Total	First 5 Contra Costa Children and Families Commission	Housing Authority of the County of Contra Costa*
(3,505)		(3,505)		
(234,236)		(234,236)		
(36,181)		(36,181)		
(2,645)		(2,645)		
(19,328)		(19,328)		
(2,984)		(2,984)		
(1,711)		(1,711)		
(36,353)		(36,353)		
<u>(336,943)</u>		<u>(336,943)</u>		
	52,855	52,855		
	26,241	26,241		
	(2,915)	(2,915)		
	(66)	(66)		
	102	102		
	<u>76,217</u>	<u>76,217</u>		
<u>(336,943)</u>	<u>76,217</u>	<u>(260,726)</u>		
			(3,191)	
				(6,070)
\$ 459,850		459,850		
14,328		14,328		
24,870		24,870		
17,008		17,008		
34,741		34,741	113	2
16,718	413	17,131	108	1,319
(13,611)	13,611			
<u>553,904</u>	<u>14,024</u>	<u>567,928</u>	<u>221</u>	<u>1,321</u>
<u>216,961</u>	<u>90,241</u>	<u>307,202</u>	<u>(2,970)</u>	<u>(4,749)</u>
749,725	102,553	852,278	36,295	33,058
(1,062,356)	(288,995)	(1,351,351)	(3,367)	
<u>(312,631)</u>	<u>(186,442)</u>	<u>(499,073)</u>	<u>32,928</u>	<u>33,058</u>
\$ <u>(95,670)</u>	<u>(96,201)</u>	<u>(191,871)</u>	<u>29,958</u>	<u>28,309</u>

COUNTY OF CONTRA COSTA
BALANCE SHEET
GOVERNMENTAL FUNDS
 JUNE 30, 2015
 (In Thousands)

	General	CCC Fire Protection District Special Revenue	Nonmajor	Total
Assets:				
Cash and investments	\$ 72,995	37,213	475,191	585,399
Accounts receivable and accrued revenue (net)	167,919	1,075	34,065	203,059
Inventories	1,672	611		2,283
Due from other funds	120,656	48	4,719	125,423
Notes receivable	81,896		18,211	100,107
Prepaid items and deposits	9,092	1,251	1,357	11,700
Land held for resale			9,021	9,021
Restricted cash and investments	2,540		24,889	27,429
Total assets	\$ 456,770	40,198	567,453	1,064,421
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 51,301	5,426	18,268	74,995
Due to other funds	6,810	270	95,904	102,984
Welfare program advances	6,042			6,042
Unearned revenue	15,384		2,925	18,309
Total liabilities	79,537	5,696	117,097	202,330
Deferred Inflows of Resources:				
Unavailable revenue	81,896	55	18,401	100,352
Fund Balances:				
Nonspendable	10,764	1,863	3,085	15,712
Restricted	9,013	661	395,188	404,862
Committed	1,508		342	1,850
Assigned	94,169	31,923	33,340	159,432
Unassigned	179,883			179,883
Total fund balances	295,337	34,447	431,955	761,739
Total liabilities, deferred inflows of resources, and fund balances	\$ 456,770	40,198	567,453	1,064,421

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION**
 JUNE 30, 2015
 (In Thousands)

Fund balances - total governmental funds (page 24)	\$	761,739
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Net of internal service fund capital assets of \$7,860)		831,252
Accrued revenue, which is not available soon enough to pay for the current period's expenditures, is deferred in the governmental funds.		245
Notes receivable are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds.		100,107
Internal service funds are used by management to charge the costs of self insurance and fleet services to individual funds. The assets and liabilities of these funds, except for the medical liability insurance fund, are included as governmental activities in the statement of net position.		(9,541)
Interest on long-term debt is recognized as it accrues, regardless of when it is due.		(7,115)
Insurance costs on bond issuance are not recognized as current expenditures and are amortized over the life of the bonds.		1,202
Loss on refunding of debt is recognized as a deferred outflow of resources		4,194
Deferred pension outflows represent a consumption of net position applicable to a future reporting period. (net of internal service fund balance of \$249)		102,394
Deferred pension inflows represent an acquisition of net position applicable to a future reporting period. (net of internal service fund balance of \$193)		(94,369)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Lease revenue bonds	\$	(114,373)
Notes payable		(1,146)
Tax allocation bonds		(90,400)
Special assessment bonds		(6,069)
Other bonds payable		(885)
Pension obligation bonds		(329,725)
Retirement litigation settlement		(16,563)
Net pension liability (net of internal service fund balance of \$1,491)		(665,504)
Capital lease obligations		(13,098)
Compensated absences (net of internal service fund balance of \$80)		(44,662)
Net OPEB obligation		(494,795)
Other noncurrent liabilities		(4,603)
Premiums and discounts		(3,955)
		(1,785,778)
Net position (deficit) of governmental activities (page 21)	\$	(95,670)

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	General	CCC Fire Protection District Special Revenue	Nonmajor	Total
Revenues:				
Taxes	\$ 336,787	96,149	83,121	516,057
Licenses, permits and franchise fees	13,623		15,576	29,199
Fines, forfeitures and penalties	27,944		6,419	34,363
Use of money and property	3,821	14	29,165	33,000
Intergovernmental	516,511	5,010	251,728	773,249
Charges for services	220,196	6,070	54,679	280,945
Other revenue	245,487	317	45,867	291,671
Total revenues	1,364,369	107,560	486,555	1,958,484
Expenditures:				
Current:				
General government	160,460		3,680	164,140
Public protection	389,322	112,723	154,428	656,473
Health and sanitation	262,531		42,382	304,913
Public assistance	410,303		128,493	538,796
Education			24,773	24,773
Public ways and facilities	35,142		61,883	97,025
Recreation and culture			1,736	1,736
Debt service:				
Principal	89		45,034	45,123
Interest	41		36,261	36,302
Total expenditures	1,257,888	112,723	498,670	1,869,281
Excess (deficiency) of revenues over (under) expenditures	106,481	(5,163)	(12,115)	89,203
Other Financing Sources (Uses):				
Transfers in	317	20	47,795	48,132
Transfers out	(51,673)		(9,989)	(61,662)
Capital lease financing	3,008	9,090	193	12,291
Total other financing sources (uses)	(48,348)	9,110	37,999	(1,239)
Net change in fund balances	58,133	3,947	25,884	87,964
Fund Balances at Beginning of Year	237,204	30,500	406,071	673,775
Fund Balances at End of Year	\$ 295,337	34,447	431,955	761,739

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES**
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(In Thousands)

Net change in fund balances - total governmental funds (page 26)	\$	87,964
Amounts reported for governmental activities in the statement of activities are different because:		
Decrease in revenues that have not met revenue recognition criteria in the fund financial statements being recognized as revenue in the government-wide financial statements.		(186)
Governmental funds report capital asset acquisitions as either capital outlay or other current program expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets	\$ 60,091	
Capital assets transferred to Fleet internal service fund	(129)	
Less loss on disposal/retirement of capital assets	(9,607)	
Less current year depreciation	<u>(40,769)</u>	9,586
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Debt issuance (principal adjustment of noncurrent liabilities)	(144)	
Principal payments	45,164	
Capital lease payments	2,971	
Issuance of capital lease	(12,291)	
Issuance of noncurrent liabilities	(2,481)	
Expenditures made on other noncurrent liabilities	<u>2,006</u>	35,225
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in long-term compensated absences	(1,761)	
Change in net pension liability	153,476	
Deferred pension outflows activity	35,812	
Deferred pension inflows activity	(94,368)	
Amortization of insurance cost of bond issuance	(184)	
Amortization of premiums - lease revenue bonds	383	
Amortization of premiums and discounts - tax allocation bonds	64	
Amortization of premiums - special assessments	1	
Change in accrued interest payable	438	
Change in OPEB obligation	(2,468)	
Amortization of deferred loss on refunding	<u>(295)</u>	91,098
Internal service funds are used by management to charge the costs of self insurance and fleet services to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities, except for the medical liability insurance fund.		<u>(6,726)</u>
Change in net position of governmental activities (page 23)	\$	<u><u>216,961</u></u>

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015
(In Thousands)

	Enterprise Funds					
	County Hospital	HMO Medi-Cal		Nonmajor	Total	Internal Service
		Plan				
Assets and Deferred Outflows of Resources:						
Assets:						
Current assets:						
Cash and investments	\$ 102,022	104,529	17,528	224,079	158,384	
Accounts receivable and accrued revenue (net)	81,753	76,684	9,655	168,092	1,936	
Inventories	3,898		25	3,923	331	
Due from other funds	32,868	1,207	2,527	36,602	1,191	
Prepaid items and deposits	7,989		263	8,252	10	
Total current assets	<u>228,530</u>	<u>182,420</u>	<u>29,998</u>	<u>440,948</u>	<u>161,852</u>	
Noncurrent assets:						
Restricted cash and investments	4,546			4,546		
Capital assets:						
Nondepreciable	7,336		9,757	17,093	1,737	
Depreciable, net	158,831		6,834	165,665	6,123	
Total noncurrent assets	<u>170,713</u>	<u></u>	<u>16,591</u>	<u>187,304</u>	<u>7,860</u>	
Total assets	<u>399,243</u>	<u>182,420</u>	<u>46,589</u>	<u>628,252</u>	<u>169,712</u>	
Deferred Outflows of Resources:						
Loss on refunding of debt	5,298			5,298		
Deferred pension outflows	40,570	2,111	292	42,973	249	
Total deferred outflows of resources	<u>45,868</u>	<u>2,111</u>	<u>292</u>	<u>48,271</u>	<u>249</u>	
Total Assets and Deferred Outflows of Resources	<u>\$ 445,111</u>	<u>184,531</u>	<u>46,881</u>	<u>676,523</u>	<u>169,961</u>	
Liabilities, Deferred Inflows of Resources, and Net Position (Deficit):						
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 33,086	113,967	9,662	156,715	850	
Accrued interest payable	591			591		
Due to other funds	21,973	29,371	7,337	58,681	1,551	
Unearned revenue		619	156	775		
Current portion of long-term liabilities	12,839	68	13	12,920	39,845	
Total current liabilities	<u>68,489</u>	<u>144,025</u>	<u>17,168</u>	<u>229,682</u>	<u>42,246</u>	
Noncurrent liabilities:						
Compensated absences	14,321	613	114	15,048	72	
Net pension liability	243,250	12,655	1,753	257,658	1,491	
Claims payable					133,702	
Bonds and notes payable, net	130,361			130,361		
Landfill post closure	688			688		
Other noncurrent liabilities	107,806			107,806		
Total noncurrent liabilities	<u>496,426</u>	<u>13,268</u>	<u>1,867</u>	<u>511,561</u>	<u>135,265</u>	
Total liabilities	<u>564,915</u>	<u>157,293</u>	<u>19,035</u>	<u>741,243</u>	<u>177,511</u>	
Deferred Inflows of Resources:						
Deferred pension inflows	31,418	1,634	227	33,279	193	
Total deferred inflows of resources	<u>31,418</u>	<u>1,634</u>	<u>227</u>	<u>33,279</u>	<u>193</u>	
Net Position (Deficit):						
Net investment in capital assets	31,974		16,591	48,565	7,859	
Unrestricted	(183,196)	25,604	11,028	(146,564)	(15,602)	
Total net position (deficit)	<u>(151,222)</u>	<u>25,604</u>	<u>27,619</u>	<u>(97,999)</u>	<u>(7,743)</u>	
Total Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)	<u>\$ 445,111</u>	<u>184,531</u>	<u>46,881</u>	<u>676,523</u>	<u>169,961</u>	

Reconciliation of enterprise funds net position to business-type net position:

Net position of enterprise funds	\$ (97,999)
Adjustment to reflect the consolidation of Medical Liability ISF activities related to enterprise funds.	<u>1,798</u>

Net position (deficit) of business-type activities (page 21) \$ (96,201)

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015
(In Thousands)

	Enterprise Funds				Internal Service
	County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	
Operating Revenues:					
Use of money and property	\$		4,308	4,308	
Charges for services	503,840	603,042	84,434	1,191,316	45,751
Other revenue			413	413	10,785
Total operating revenues	<u>503,840</u>	<u>603,042</u>	<u>89,155</u>	<u>1,196,037</u>	<u>56,536</u>
Operating Expenses:					
Salaries and employee benefits	285,233	16,270	2,333	303,836	1,908
Services and supplies	165,944	509,406	87,167	762,517	19,897
Benefit and claim expense					40,624
Other charges	221	51,055	1,230	52,506	664
Expense transfers			197	197	
Depreciation	11,480		1,198	12,678	1,930
Total operating expenses	<u>462,878</u>	<u>576,731</u>	<u>92,125</u>	<u>1,131,734</u>	<u>65,023</u>
Operating income (loss)	<u>40,962</u>	<u>26,311</u>	<u>(2,970)</u>	<u>64,303</u>	<u>(8,487)</u>
Nonoperating Revenues (Expenses):					
State and federal grants	13,963		560	14,523	
Investment income					1,294
Interest expense	(7,454)	(70)	(56)	(7,580)	
Loss on disposal of capital assets	(5)			(5)	
Total nonoperating revenues (expenses)	<u>6,504</u>	<u>(70)</u>	<u>504</u>	<u>6,938</u>	<u>1,294</u>
Income (loss) before capital contributions and transfers	<u>47,466</u>	<u>26,241</u>	<u>(2,466)</u>	<u>71,241</u>	<u>(7,193)</u>
Capital contributions	5,808			5,808	129
Transfers in	19,778		3,959	23,737	57
Transfers out	(9,535)	(495)	(96)	(10,126)	(138)
Change in net position	<u>63,517</u>	<u>25,746</u>	<u>1,397</u>	<u>90,660</u>	<u>(7,145)</u>
Total Net Position (Deficit) at Beginning of Year	<u>58,095</u>	<u>14,052</u>	<u>28,189</u>	<u>100,336</u>	<u>1,074</u>
Adjustments to beginning net position	(272,834)	(14,194)	(1,967)	(288,995)	(1,672)
Total Net Position (Deficit) at Beginning of Year, as Restated	<u>(214,739)</u>	<u>(142)</u>	<u>26,222</u>	<u>(188,659)</u>	<u>(598)</u>
Total Net Position (Deficit) at End of Year	<u>\$ (151,222)</u>	<u>25,604</u>	<u>27,619</u>	<u>(97,999)</u>	<u>(7,743)</u>

Reconciliation of enterprise funds change in net position to statement of activities:

Change in net position of enterprise funds.	\$ 90,660
Adjustment to reflect the Medical Liability ISF activities related to enterprise funds.	(419)

Change in net position of business-type activities (page 23) \$ 90,241

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(In Thousands)

	Enterprise Funds				
	County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	Internal Service
Cash Flows from Operating Activities:					
Cash received from customers	\$ 456,562	581,841	81,619	1,120,022	56,713
Cash received from other funds			39,320	39,320	
Cash payment to other funds	(13,003)	(949)	(4)	(13,956)	(87)
Cash payment to suppliers for goods and services	(183,740)	(506,645)	(109,416)	(799,801)	(57,282)
Cash payment to employees for services	(321,432)	(18,132)	(2,617)	(342,181)	(1,671)
Net Cash Provided by (Used for) Operating Activities	<u>(61,613)</u>	<u>56,115</u>	<u>8,902</u>	<u>3,404</u>	<u>(2,327)</u>
Cash Flows from Noncapital Financing Activities:					
State and federal grants	13,963		560	14,523	
Transfers in	19,778		3,959	23,737	57
Transfers out	(9,535)	(495)	(96)	(10,126)	(138)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>24,206</u>	<u>(495)</u>	<u>4,423</u>	<u>28,134</u>	<u>(81)</u>
Cash Flows from Capital and Related Financing Activities:					
Capital contributions	5,808			5,808	129
Acquisition and construction of capital assets	(2,128)		(230)	(2,358)	(2,579)
Interest paid	(7,454)	(70)	(56)	(7,580)	
Payment of notes payable and other noncurrent liabilities	(1,938)			(1,938)	
Principal paid on debt	(10,001)			(10,001)	
Increase to other noncurrent liabilities	105,148			105,148	
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>89,435</u>	<u>(70)</u>	<u>(286)</u>	<u>89,079</u>	<u>(2,450)</u>
Cash Flows from Investing Activities:					
Interest received on investments					1,294
Net Increase (Decrease) in Cash and Cash Equivalents	<u>52,028</u>	<u>55,550</u>	<u>13,039</u>	<u>120,617</u>	<u>(3,564)</u>
Cash and Cash Equivalents at Beginning of Year	<u>54,540</u>	<u>48,979</u>	<u>4,489</u>	<u>108,008</u>	<u>161,948</u>
Cash and Cash Equivalents at End of Year	<u>\$ 106,568</u>	<u>104,529</u>	<u>17,528</u>	<u>228,625</u>	<u>158,384</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating income (loss)	\$ 40,962	26,311	(2,970)	64,303	(8,487)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Activities:					
Depreciation and amortization	11,480		1,198	12,678	1,930
Changes in operating assets and liabilities:					
Decrease (increase) in:					
Accounts receivable and accrued revenue, net	4,344	(21,201)	(7,545)	(24,402)	(3)
Inventories	(207)	(949)	13	(1,143)	11
Due from other funds	(13,003)		406	(12,597)	75
Prepaid items and deposits	(3,008)		38,784	35,776	22
Deferred outflows of resources	(14,056)	(732)	(101)	(14,889)	(86)
Deferred charges	(51,622)			(51,622)	
Increase (decrease) in:					
Accounts payable and accrued liabilities	4,233	48,799	(4,037)	48,995	466
Claims payable					4,143
Due to other funds	(17,017)	5,017	(16,616)	(28,616)	(255)
Deferred inflows of resources	31,418	1,634	227	33,279	193
Net pension liability	(56,098)	(2,918)	(404)	(59,420)	(344)
Unearned revenue			(47)	(47)	
Compensated absences	961	67	(6)	1,022	8
Accrued salaries		87		87	
Net Cash Provided by (Used for) Operating Activities	<u>\$ (61,613)</u>	<u>56,115</u>	<u>8,902</u>	<u>3,404</u>	<u>(2,327)</u>
Noncash investing, capital, and financing activities:					
Capital contribution of capital assets from governmental fund					129

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 JUNE 30, 2015
 (In Thousands)

	Other Employee Benefit Trust	Investment Trust	Private- Purpose Trust Funds	Agency
Assets:				
Cash and investments	\$ 173,308	1,774,273	29,329	198,485
Receivables		3,735	72	42,215
Notes receivable, net			25	
Due from other governments				6,260
Taxes receivable				170,328
Restricted cash and investments			4,978	
Total assets	<u>173,308</u>	<u>1,778,008</u>	<u>34,404</u>	<u>417,288</u>
Deferred Outflows of Resources:				
Loss on refunding of debt			2,954	
Liabilities:				
Warrants outstanding		61,469		36,426
Accounts payable and accrued liabilities		1,211	77	51,574
Due to other governments			775	53,024
Unapportioned taxes				123,776
Tax loss guarantees				84,019
Accrued interest payable			2,284	
Noncurrent liabilities:				
Due within one year			2,199	
Due in more than one year			89,621	
Due to other agencies and districts				68,469
Total liabilities		<u>62,680</u>	<u>94,956</u>	<u>417,288</u>
Net Position:				
Restricted for:				
Other postemployment benefits	173,308			
Participation in individually directed investment accounts		1,715,328	21,794	
Unrestricted deficit			(79,392)	
Total net position (deficit)	<u>\$ 173,308</u>	<u>1,715,328</u>	<u>(57,598)</u>	

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(In Thousands)

	Other Employee Benefit Trust	Investment Trust	Private- Purpose Trust Funds
Additions:			
Employer contributions	\$ 77,312		
Plan member contributions	14,023		
Contributions to investment accounts		4,647,163	
Other revenue			17,226
Net investment income (loss)	4,236	224,608	68
Property tax distribution			10,147
Total additions	<u>95,571</u>	<u>4,871,771</u>	<u>27,441</u>
Deductions:			
Benefits paid	71,295		
Distribution from investment accounts		4,520,062	
Administrative and other expenses			1,502
Interest expense			5,507
Other			15,292
Project expenditures			1,207
Financial assistance payments			1,978
Total deductions	<u>71,295</u>	<u>4,520,062</u>	<u>25,486</u>
Change in net position	<u>24,276</u>	<u>351,709</u>	<u>1,955</u>
Net Position Held In Trust at Beginning of Year, as Previously Reported	6,607,350	1,363,619	(59,553)
Adjustments to beginning net position (Note 2)	<u>(6,458,318)</u>		
Net Position (Deficit) at Beginning of Year, as Restated	<u>149,032</u>	<u>1,363,619</u>	<u>(59,553)</u>
Net Position (Deficit) at End of Year	<u>\$ 173,308</u>	<u>1,715,328</u>	<u>(57,598)</u>

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Contra Costa (county) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The following is a summary of the more significant policies:

A. Definition of Reporting Entity

The county is a political subdivision created by the state of California. As such, it can exercise powers specified by the constitution and statutes of the state. The county is governed by a five member elected Board of Supervisors (the Board). The Board is responsible for the legislative and executive control of the county. The county provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The governmental reporting entity consists of the county (primary government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and relationship with the county are such that exclusion would cause the county's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (i) the county's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the county.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the county's operations and so data from these units are combined with data of the primary government. The discretely presented component units, on the other hand, are reported in separate columns in the government-wide financial statements.

For financial reporting purposes, the county's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the county's Board.

Blended Component Units

Successor Agency to the Contra Costa County Redevelopment Agency

Pursuant to the provisions of California Assembly Bills 1X 26 and 1484, the Successor Agency to the Contra Costa County Redevelopment Agency (Successor Agency to the RDA) was created with the transfer of all of the assets, liabilities, and obligations of the former redevelopment agency. The Successor Agency to the RDA accounts for the payments due for enforceable obligations, performance of obligations, and disposal of all assets of the former redevelopment agency. The Successor Agency to the RDA activities are included as a Private-Purpose Trust fund.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

County of Contra Costa Public Financing Authority

The County of Contra Costa Public Financing Authority (PFA) is a joint powers authority consisting of the county, the former Redevelopment Agency (RDA), and subsequently the Successor Agency to the RDA. The PFA was established to provide for the financing of public improvements, obligations, working capital and liability or other insurance programs of the county and the RDA. The members of the county Board of Supervisors also serve as the Directors of the PFA. The activities of the PFA are included in a debt service fund, which is reported as part of the nonmajor governmental funds, and in the County Hospital Enterprise Fund.

Contra Costa County Employees' Retirement Association

The Contra Costa County Employees' Retirement Association (CCCERA) was established to provide retirement benefits to employees of the county and other member agencies. The CCCERA provides a majority of its services for the benefit of the county and, therefore, had been reported as a pension trust fund in the basic financial statements. With the passage of California Senate Bill 673, CCCERA became an independent agency effective January 1, 2015, and ceased to be a county component unit. The CCCERA is no longer reported as a pension trust fund effective with its year end of December 31, 2014. Activities of CCCERA are now reported in the county's treasury pool as part of the Investment Trust Fund.

In-Home Supportive Services Public Authority

The Contra Costa County Board of Supervisors, pursuant to Welfare and Institutions Code Section 12301.6, established the In-Home Supportive Services Public Authority (IHSS). IHSS provides screening, training and referral of in-home supportive service providers and assists eligible individuals, who are unable to care for themselves at home, in finding qualified persons to assist them. Its board members are the same as the county Board of Supervisors and management of the primary government has operational responsibility for the component unit. The activities of the IHSS are included in a special revenue fund which is reported as part of the nonmajor governmental funds.

Special Districts and Service Areas

The county has 38 agencies referred to as county special districts and service areas. Each is established by the county for the purpose of providing specific services in a defined geographic area. Their board members are the same as the county Board of Supervisors and management of the primary government has operational responsibility for the component units. The 38 agencies and the special revenue fund in which each is included are: Contra Costa County Fire Protection District; Other Fire Protection – Crockett-Carquinez Fire Protection District; Flood Control - Flood Control District, Storm Drainage District, Storm Drain District No. Z-19; Health and Sanitation - Sanitation District No. 6; Service Areas - Service Areas D-2, EM-1, L-100, LIB-2, LIB-10, LIB-12, LIB-13, M-1, M-16, M-17, M-20, M-23, M-28, M-29, M-30, M-31, R-4, R-7A, R-9, R-10, RD-4, R-8, Public Transit-Service Area T1, CFD 2006-1, CFD 2008-1, CFD 2010-1, and Discovery Bay West Parking District; Law Enforcement - Service Areas Crockett Cogeneration (formerly P-1), P-2 (zones A and B), P-5 and P-6; Other Special Revenue - Contra Costa County Water Agency. These special revenue funds are reported as nonmajor governmental funds, with the exception of the Contra Costa County Fire Protection District, which is reported as a major governmental fund.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

Discretely Presented Component Units

First 5 Contra Costa Children and Families Commission

The First 5 Contra Costa Children and Families Commission (Commission) was established to implement the provisions of Proposition 10, adopted by the voters in 1998. Proposition 10 added Division 108 (commencing with Section 130100) to the California Health and Safety Code. It provides for a state tax on the sale of tobacco products and also provides that this revenue be spent for early childhood development programs by the Commission. The county Board of Supervisors originally appointed all nine members (and nine alternate members) of the Commission. One member of the Board of Supervisors serves on the Commission. While the Board of Supervisors is able to impose its will, the Commission does not meet the criteria for blending: i) the primary government has no management responsibility; ii) the Commission's services aren't exclusive or almost exclusive to the county; and iii) the Commission's debt outstanding is not expected to be repaid with resources of the county. The Commission hires its own employees, including an Executive Director and functions independent of the county. The Commission provides most of its services directly to the citizens of the county. The financial activity of the Commission is reported in separate columns on the government-wide financial statements.

Housing Authority of the County of Contra Costa

The Housing Authority of the County of Contra Costa (Housing Authority) was established to provide housing for the county's low and moderate income residents. While its board members are the same as the county Board of Supervisors, it does not meet the criteria for blending: i) there is no financial burden or benefit relationship with the county nor does management of the county have operational responsibility over it; ii) the Housing Authority does not provide services entirely or almost entirely to the county; and iii) the Housing Authority's total debt outstanding is not expected to be repaid with resources of the county. The fiscal year of the Housing Authority ends on March 31st and its financial activities are reported as of that date. The Housing Authority has two discretely presented component units that have been blended with the Housing Authority in this report. The discretely presented component units have fiscal year ends of December 31. Their financial statements have been adjusted to March 31 for inclusion in the Housing Authority statements.

Separately Issued Financial Statements

Complete audited financial statements are issued separately for each of the individual component units listed below and may be obtained at the unit's administrative offices as follows:

County of Contra Costa Public Financing Authority
651 Pine Street, 6th Floor, Martinez, CA 94553

First 5 Contra Costa Children and Families Commission
1485 Civic Court, Suite 1200, Concord CA 94520

Housing Authority of the County of Contra Costa
3133 Estudillo Street, Martinez, CA 94553

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

B. Accounting Pronouncements

Pronouncements Implemented During the Year

The county adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, was established to improve accounting and financial reporting by state and local governments for pensions and was implemented in the June 30, 2015, fiscal year. The statement replaced the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. The statement establishes standards for measuring and recognizing liabilities. The statement also addresses note disclosures and required supplementary information for pensions. The effect to the financial statements was to restate beginning net position by \$(1,351,351,000) (see note 14 and note 2 for restatement).

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, was applied simultaneously with the provisions of GASB Statement 68. Statement 71 addresses an issue relating to amounts associated with contributions, if any, made by the local government employer or nonemployer contributing entity to a defined pension plan after the measurement date of the government's beginning net pension liability. The county includes a deferred outflow of resources to account for its retirement prepayment for January through June 2015.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, established accounting and financial reporting standards related to government combinations and disposals of government operations. The county had no reportable combinations or disposals for the fiscal year ended June 30, 2015.

Pronouncements to be Implemented in Subsequent Years

GASB Statement No. 72, *Fair Value Measurement and Application*, will address accounting and financial reporting issues related to fair value measurements. It will provide guidance for determining a fair value measurement for financial reporting purposes and will also provide guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this statement will be effective for financial statements for periods beginning after June 15, 2015.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. It will establish requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. The requirements of this statement will be effective for financial statements for periods beginning after June 15, 2016.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, was established to improve the usefulness of information about postemployment benefits other than pensions (OPEB). This statement requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. This statement replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The requirements of this statement will be effective for financial statements for periods beginning after June 15, 2016.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, was established to improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. The requirements of this statement will be effective for financial statements for periods beginning after June 15, 2017.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will identify – in the context of the current governmental financing reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The requirements of this statement will be effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively.

C. Basis of Presentation

Government-wide Financial Statements

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, mandates the presentation of two basic government-wide financial statements, the *Statement of Net Position* and the *Statement of Activities*. The statement of net position and statement of activities display information about the primary government (the county) and its component units. The statement of net position and statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except for charges for services (exchange transactions) between activities and functions. The statement of net position and statement of activities also distinguish between the *governmental* and *business-type activities* of the county and between the county and its discretely presented component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees charged to external parties.

For presentation in the statement of net position and statement of activities, all of the internal service fund account balances are allocated to governmental activities except for the medical liability insurance fund which is allocated to business-type activities.

The statement of net position reports the county's financial and capital resources, including infrastructure, as well as the county's long-term obligations. The difference between the county's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is its net position.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

Net position represents the resources that the county has available for uses in providing services after its debts are settled.

The statement of activities presents a comparison between direct and allocated indirect expenses and program revenues for each function of the governmental activities and each segment of the business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs, including fines and forfeitures, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, management has discretion as to which resources to apply. Generally, restricted resources are depleted before unrestricted; however, when prudent, unrestricted resources may be used first.

Fund Financial Statements

The fund financial statements provide information about the county's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The county reports the following as major governmental funds:

- The *General Fund* is used to account for and report all financial resources not accounted for and reported in another fund. In addition to general administration, the General Fund includes such activities as public protection, health and sanitation, public assistance, and public ways and facilities.
- The *Contra Costa County Fire Protection District (CCCFPD) Special Revenue Fund* accounts for the financial aspect of the fire and emergency medical service activities provided by CCCFPD to nine cities and certain unincorporated areas in the county. As requested by interested parties, the CCCFPD's financial activities have been separated from those of the county's other fire protection districts and are reported as a major fund. The fund is principally financed by property taxes and services such as fire prevention plan review and inspections.

The county reports the following as major enterprise funds:

- The *County Hospital (the Hospital)* accounts for hospital operations involved in providing health services to county residents. Revenues are principally fees for patient services, payments from federal and state programs such as Medicare, Medi-Cal and Short-Doyle, realignment revenues, and subsidies from the General Fund.
- The *HMO Medi-Cal Plan's* revenues and expenditures are capitation payments and costs related to Medi-Cal eligibles enrolled in the Medi-Cal Plan.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

The county reports the following additional funds:

- *Internal Service Funds* account for the county's fleet services and self-insurance programs – employee dental insurance, long-term disability insurance, workers' compensation insurance, automotive liability insurance, general liability insurance, state unemployment insurance, medical liability insurance, and special district property insurance, on a cost-reimbursement basis.
- *Other Employee Benefit Trust Fund* accounts for assets held in trust to pay post-employment health benefits. The trust, which consists of assets contributed by the county (and other participating employers), is administered by the financial officials typically responsible for safeguarding the county's assets. The Trustee shall separately account for all contributions, distributions, payments, expenses, gains and losses attributable to the county and each other employer that participates in the trust.
- The *Investment Trust Fund* accounts for the assets of legally separate entities who make directed investments through the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass-through funds for tax collections for cities. This fund represents the assets, primarily cash and investments, and the related obligation of the county to disburse these monies on demand.
- The *Private-Purpose Trust Funds* account for assets held in trust for the benefit of individuals, private organizations, and other governments. Included in these funds are assets, liabilities, and activities of the Successor Agency to the Contra Costa County Redevelopment Agency.
- *Agency Funds* account for assets pending transfer or distribution to individuals, private organizations or other governmental entities held by the county in an agency capacity. Included in these funds are the Unapportioned Taxes Fund and the Tax Losses Reserve Fund, which provide controls necessary for the county to manage property taxes under the Teeter Plan (see section L of this note).

D. Basis of Accounting

The government-wide financial statements, and proprietary and fiduciary, excluding agency, fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the county is giving (or receiving) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Agency funds are unlike all other types of funds, reporting only assets and liabilities. So agency funds cannot be said to have a measurement of focus. Since they do not report equity, they cannot present an operating statement reporting changes in equity. They do, however, use the accrual basis of accounting to recognize receivables and payables.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes are accrued when their receipt occurs within sixty days after the end of the accounting period. All other revenues are accrued if they are both measurable and available within sixty days, except for certain reimbursements related to health care from the state of California and certain state and federal grants which are accrued when their receipt is expected within one year after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are generally recorded when payment is due. However, where resources have been provided during the current year for payment of interest due early in the following year, the expenditure and related liability are accrued. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

E. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, their equity in the County Treasurer's internal pool, and cash restricted for repayment of debt or as reserves to be cash equivalents. The County Treasurer's internal pool includes certain investments with longer maturities, however each fund's equity in the pooled funds are considered readily available for immediate use and therefore included with cash equivalents.

F. Investments

Investment transactions are recorded on the trade date. Investments in non-participating, interest-earning investment contracts (certificates of deposit and guaranteed investment contracts) are stated at cost. Other investments are stated at fair value. Fair value is defined as the amount that the county could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices.

The public school, cemetery, pest control, recreation and park, and resource conservation districts within the county are required by legal provisions to maintain their cash and investments with the County Treasurer. The County Treasurer maintains individual directed investment accounts for those districts, and the cash and investments held are included in the Investment Trust Fund.

G. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market. Governmental fund inventories are maintained using the weighted average method. Proprietary fund inventories are maintained using the

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

first-in, first-out method. The costs of governmental fund inventories and proprietary fund inventories are recorded as expenditures/expenses at the time individual items are consumed rather than when purchased. Reported inventories of governmental funds are equally offset as nonspendable fund balance to indicate that a portion of fund balance is not in spendable form in that it is not convertible to cash.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The county utilizes the consumption method to account for these prepayments.

H. Notes Receivable

Generally loans are either deferred or collected on a residual receipts basis with all remaining principal and interest due on the earlier of the due date of the note or sale or transfer of property. Any repayment of principal or interest is treated as program revenue, the use of which is restricted by federal regulations. As such, notes receivable are recorded with an offset to deferred inflows of resources in the fund financial statements because the amounts are unavailable. The notes receivable balances in the General Fund consist of loans made with funds provided to the county under the U.S. Department of Housing and Urban Development programs. The loans are made to carry out activities for affordable housing and economic development.

I. Restricted Assets

The county's restricted assets represent cash and investments of the General Fund, County Hospital Enterprise Fund, Successor Agency to the Contra Costa County Redevelopment Agency, certain nonmajor governmental funds, and discretely presented component unit – Housing Authority, which are restricted for debt repayments in accordance with restrictions and limitations of the various bond indentures. All of the noted cash and investments are included in Note 4 – Cash and Investments.

J. Capital Assets

Capital assets (including infrastructure and intangibles) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) consisting of certain improvements including roads, bridges, water/sewer, lighting systems, drainage systems, and flood control. The capitalization threshold for infrastructure is \$25,000. The capitalization threshold for buildings is \$100,000. The capitalization threshold for equipment and vehicles is \$5,000. Many different types of assets may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. The capitalization threshold for intangible assets acquired after June 30, 2009, excluding internally developed intangibles, is \$100,000. The capitalization threshold for internally developed intangible assets acquired after June 30, 2009, and for all retroactively reported intangible assets, is \$1,000,000. Capital assets used in operations are depreciated or amortized (assets under capital leases and intangible assets) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the activities within the government-wide financial statements and proprietary funds.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

The estimated useful lives are as follows:

Infrastructure	25-50 years
Structures	25-40 years
Improvements	10-20 years
Equipment, including vehicles	3-20 years
Intangible assets	3-50 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Interest is capitalized on construction in progress in the proprietary funds. Accordingly, interest capitalized is the total interest cost from the date of the borrowing, net of any allowable interest carried on temporary investments of the proceeds of those borrowings, until the specified asset is ready for its intended use.

K. Bond Discounts, Bond Premiums, Insurance Costs, and Deferred Amounts on Refundings

In governmental fund financial statements, bond discounts, bond premiums, insurance costs, and deferred amounts on refundings are recognized in the period incurred. In the government-wide and proprietary fund financial statements, bond discounts, bond premiums, insurance costs, and deferred amounts on refundings are amortized over the term of the issuance using the straight-line method, which approximates the effective interest method.

L. Property Tax Levy, Collection, and Maximum Rates

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property situated in the county. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. State code requires tax rates to be set no later than the first workday in September unless the Board of Supervisors elects to extend the deadline to October 3rd. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales or construction completion and the preceding assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence. Property taxes on the unsecured roll are due on the lien date (January 1st), and become delinquent if unpaid by August 31st.

Supplementary taxes that have been collected but unapportioned at year-end and unsecured taxes collected in advance are reported as unapportioned taxes in the Unapportioned Taxes Agency Fund. Secured property taxes are recorded as revenue in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by the California Revenue and Taxation Code Section 4701 et al (The Teeter Plan). This alternate method

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1st of each year.

Under the alternate apportionment method, specified amounts of penalties and interest collected on delinquent secured taxes are held in the Tax Losses Reserve Agency Fund (TLRF). This reserve is used to offset the impact of accumulated delinquency remaining at year-end. The county's management believes that any ownership rights to the TLRF the county may have are effective only upon transfer or to the extent of losses related to the sale of tax defaulted property. The county has the authority to transfer any amounts in the fund that exceed a legally defined threshold, which was \$5,070,000 at June 30, 2015. The year-end balance in the TLRF was \$84,019,000. Amounts in the TLRF are considered to be held in a custodial capacity for the administration of the county's Teeter Plan.

M. Interfund Transactions

Interfund transactions are reflected as either loan, services provided, reimbursements or transfers. Loans are reported as receivables and payables (as appropriate), are subject to elimination upon consolidation, and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

N. Compensated Absences and Sick Leave

Under terms of union contracts and various Board resolutions, county employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation, compensatory time, and other paid time off hours. Employees are not reimbursed for accumulated sick leave except management employees who are eligible for a payoff of unused sick leave accruals at resignation. Management employees must have a balance of at least 70.0% of their sick leave accruals and have been employed three years or more to be eligible for this benefit. The maximum amount payable under this Sick Leave Incentive Plan is 50.0% of accrued sick leave; however, the amount of sick leave payable is considered de minimis. Accordingly, no accrual for sick leave has been made in the accompanying basic financial statements.

Compensated absences as of June 30, 2015, were valued at \$62,004,000, which includes \$39,328,000 attributable to the General Fund, \$5,334,000 attributable to the Special Revenue Funds, \$16,721,000 recorded in Enterprise Funds, \$80,000 recorded in Internal Service Funds, \$179,000 recorded in the First 5 Contra Costa Children and Families Commission Component Unit, and \$362,000 recorded in the Housing Authority Component Unit (as of March 31, 2015). Amounts attributable to the General Fund, Special Revenue Funds, and Component Units are expected to be claimed in future periods and paid with future resources from those funds. Accordingly, this liability is reflected in the government-wide statement of net position. In the proprietary funds, compensated absences are recorded as an expense

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and liability as the benefits accrue to employees. The amounts reported for compensated absences include estimated employer liability for taxes and workers' compensation premiums.

O. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. FUND EQUITY

A restatement of beginning net position was necessary with the implementation of GASB Statement No. 68. The restatement of net position includes the adjustments to prior year ending net position, deferred outflows of resources, deferred inflows of resources, and the elimination of the prepaid pension asset.

The County Hospital Enterprise Fund, HMO Medi-Cal Plan Enterprise Fund, Nonmajor Enterprise Funds, and Fleet Internal Service Fund recorded restatements of beginning net position to account for the above GASB Statement No. 68 implementation activity.

As referred to Note 1, with the passage of California State Bill 673, and with implementation of GASB Statement No. 68, CCCERA is no longer part of the county's reporting entity and its net position at beginning of year has been removed.

The adjustment to the beginning net position is presented below (in thousands):

Government-wide Financial Statements – Restatement of Net Position

	Governmental Activities	Business-type Activities	First 5 Contra Costa Children and Families Commission
Net position, at beginning of year, as previously reported	\$ 749,725	102,553	36,295
Set up of net pension liability	(820,815)	(317,078)	(2,071)
Set up of deferred pension outflows	66,746	28,083	522
Removal of prepaid pension asset	(308,287)		(1,818)
Net position (deficit), at beginning of year, as restated	<u>\$ (312,631)</u>	<u>(186,442)</u>	<u>32,928</u>

Fund basis Financial Statements – Restatement of Net Position

	County Hospital Enterprise Fund	HMO Medi-Cal Plan Enterprise Fund	Nonmajor Enterprise Funds	Internal Service Funds
Net position, at beginning of year, as previously stated	\$ 58,095	14,052	28,189	1,074
Set up of net pension liability	(299,348)	(15,573)	(2,158)	(1,835)
Set up of deferred pension outflows	26,514	1,379	191	163
Net position (deficit), at beginning of year, as restated	<u>\$ (214,739)</u>	<u>(142)</u>	<u>26,222</u>	<u>(598)</u>

	Pension and Other Employee Benefit Trust
Net position, beginning of year, at previously stated	\$ 6,607,350
Removal of CCCERA net position as beginning of year	(6,458,318)
Net position (deficit), at beginning of year, as restated	<u>\$ 149,032</u>

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3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted for all governmental funds except the Public Financing Authority Debt Service Fund, the Assessment Districts Debt Service Fund, and the Assessment Districts Capital Projects Fund. All annual appropriations lapse at fiscal year-end. GAAP serves as the budgetary basis of accounting.

Schedules of revenues, expenditures, and changes in fund balance - budget and actual are included in the required supplementary section of this report for the General Fund and all major special revenue funds.

Encumbrance accounting is used in governmental funds. Encumbrances outstanding at year-end are reported with restricted, committed, and assigned, as appropriate, fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Deficit Net Position/Fund Balance

At June 30, 2015, governmental activities and business-type activities in the government-wide statement of net position had deficiencies in net position of \$95,670,000 and \$96,201,000, respectively. The deficits are primarily due to the implementation of GASB Statement No. 68 for governmental and business-type activities, and a total OPEB obligation of \$494,795,000 for governmental activities.

The County Hospital Enterprise Fund had a deficit net position of \$151,222,000 at June 30, 2015. The deficit is due to the implementation of GASB Statement No. 68.

Two internal service funds had deficit net positions at June 30, 2015. The Workers' Compensation Insurance County General Fund shows a deficit of \$19,991,000, a deficit increase of \$5,691,000 from a \$14,300,000 deficit at June 30, 2014. The Workers' Compensation Insurance Fire Protection Fund shows a deficit of \$11,405,000, a deficit decrease of \$1,083,000 from a \$12,488,000 deficit at June 30, 2014. These deficit net positions are attributed to an adjustment of insurance reserves for self-insurance funds per actuarial report dated June 30, 2015. The county's policy is to provide in each fiscal year, by charges to affected operating funds, amounts sufficient to cover the estimated expenditures for self-insured claims and the cost of insurance.

4. CASH AND INVESTMENTS

	Primary Government		Component Units		
	Governmental Activities	Business-Type Activities	First 5 Contra Costa Children and Families Commission	Housing Authority*	Fiduciary Funds
Cash and Investments	\$ 738,052	229,810	30,100	7,282	2,175,395
Restricted Cash held by fiscal agent	27,429	4,546		2,606	4,978
	<u>\$ 765,481</u>	<u>234,356</u>	<u>30,100</u>	<u>9,888</u>	<u>2,180,373</u>

*As of March 31, 2015

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The cash and investment balances of substantially all funds, except the Other Employee Benefit and Investment Trust Funds, are maintained in the county's internal pool and invested by the County Treasurer. Income from pooled investments is allocated to the funds based on average daily balances. As permitted by the California Government Code, legally separate entities that are not part of the county reporting entity also have individual investment accounts in the County Treasury. These investment accounts are separate from the pool and are reported in the Investment Trust Fund. Specific investments are acquired for those separate entities at their direction and the income from and changes in the value of these investments affect only the entity for which they were acquired. The Public Agencies Retirement Services (PARS) directs the investment activity of the Other Employee Benefit Trust Fund.

A. Summary of Cash and Investments

Cash and investments at June 30, 2015 (March 31, 2015, for the Housing Authority) are reported as follows (in thousands):

		Deposits and Certificates of Deposits	Investments	Total
From the Statement of Net Position				
Primary Government	Cash and investments	\$ 273,534	694,328	967,862
	Restricted cash and investments		31,975	31,975
First 5 Contra Costa Children and Families Commission	Cash and investments	1	30,099	30,100
Housing Authority	Cash and investments	7,282		7,282
	Restricted cash and investments		2,606	2,606
From the Statement of Fiduciary Net Position				
Other Employee Benefit Trust Fund	Cash and investments		173,308	173,308
Investment Trust Fund	Cash and investments	5	1,774,268	1,774,273
Private-Purpose Trust Funds	Cash and investments	19,750	9,579	29,329
	Restricted cash and investments		4,978	4,978
Agency Funds	Cash and investments	13	198,472	198,485
Total		<u>\$ 300,585</u>	<u>2,919,613</u>	<u>3,220,198</u>

B. Deposits and Investments

Deposits

Deposits include bank deposits at a carrying amount of \$300,585,000. The balance reported by various financial institutions was \$308,826,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$5,377,000 was covered by federal depository insurance and \$303,449,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

According to the California Government Code Section 53601, bank obligations such as certificates of deposit are considered investments. However, in accordance with accounting principles generally accepted in the United States of America, the county has classified certificates of deposit in the amount of \$5,002,000 as deposits. Of the certificates of deposit balance, \$500,000 was insured and \$4,502,000

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was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

Under the California Government Code, a financial institution is required to secure deposits in excess of \$250,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The collateral must be held at the pledging bank's trust department or at another bank, acting as the pledging bank's agent, in the public agency's name. The county may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The county, however, has not waived the collateralization requirements.

The county follows the practice of pooling cash of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated on a quarterly basis to the various funds based on the year-to-date average daily cash balances. Interest income from cash with fiscal agent is credited directly to the related fund.

Authorized Investments

Under provisions of the county's investment policy, the county may invest in the following:

Bonds and notes issued by local agencies with a maximum maturity of five years. Obligations issued by Agencies or Instrumentalities of the U.S. Government.

State or Municipal Depository Funds, such as the Local Agency Investment Fund (LAIF) or pooled cash investment funds managed by county treasurers.

U.S. Treasury bills, notes, bonds, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

Registered state warrants, treasury notes, or bonds issued by the state of California.

Bonds, notes, warrants, or other evidence of debt issued by a local agency within the state of California, County Treasurer, other local agencies or Joint Powers Agencies.

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments.

Banker's acceptances with a term not to exceed 270 days, limited to 40% of surplus funds; no more than 30% of surplus funds can be invested in Bankers Acceptances of any single commercial bank.

Prime commercial paper not to exceed 180 days and the highest ranking issued by Moody's Investors Service or Standard & Poor's Corp., limited to 15% of surplus funds; provided that if the average total maturity of all commercial paper does not exceed 31 days up to 30% of surplus funds can be invested in commercial paper.

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Negotiable certificates of deposit issued by federally or state chartered banks or associations, limited to not more than 30% of surplus funds.

Repurchase/reverse repurchase agreements of any securities authorized by the California Government Code Sections 5922 and 53601 et seq. Securities purchased under these agreements shall be no less than 102% of market value. Securities purchased under reverse repurchase agreements shall be for temporary and unanticipated cash flow needs only.

Medium-term notes (not to exceed two years) of U.S. corporations rated "AAA" or better by Moody's or Standard & Poor's limited to not more than 30% of surplus funds.

Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (Money Market Mutual Funds); funds must carry the highest rating of at least two national rating agencies and are limited to not more than 20% of surplus funds.

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable-backed bond with a maximum maturity of five years, securities in this category must be rated AA or better by a national rating service and are limited to not more than 30% of surplus funds.

Notes, bonds, or other obligations that are at all times secured by a valid first-priority security interest.

Monies held by a trustee or fiscal agent and pledged to the payment of security bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements.

Insured demand and savings deposits, provided that deposits in excess of the insured amounts must be 100% collateralized by federal securities (Housing Authority).

Insured money market accounts (Housing Authority).

Insured SUPERNOW accounts, provided the deposit in excess of insured amount must be 100% collateralized by federal securities (Housing Authority).

Sweep accounts that are 100% collateralized by federal securities (Housing Authority).

Funds held under the terms of a trust indenture or other contract or agreement including HUD/PHA annual contributions contract, may be invested according to the provisions of those indentures or contracts.

Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.

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Risk Disclosures

Interest Rate Risk. As a means of limiting its exposure to losses arising from rising interest rates, the county's investment policy provides that final maturities of securities cannot exceed five years, unless the county Board of Supervisors (Board) has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

At June 30, 2015, the county (March 31, 2015, for the Housing Authority) had the following investments and maturities (in thousands):

Investment Type:	Investment Maturities				Fair Value Total
	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	
U.S. Treasury notes & bonds	\$ 3,000	21,353	6,618		30,971
U.S. agencies - (FHLB, FNMA, FFCB, FHLMC)	139,320	428,583	51,633		619,536
Corporate notes	42,368	98,229	6,576		147,173
Municipal bonds	7,665	4,580	427		12,672
Asset backed securities	254	5,807	1,944		8,005
Commercial paper	864,536				864,536
Negotiable certificates of deposit	545,152	12,565			557,717
Mutual funds	276,772			175,541	452,313
Money market accounts	2,015				2,015
LAIF	222,336				222,336
CAMP	391				391
Local obligation bond	14				14
International Bank	934	1,000			1,934
Total	\$ 2,104,757	572,117	67,198	175,541	2,919,613

As of June 30, 2015, the portfolio contained \$83,721,000 of callable U.S. Agencies, representing 21.18% of investment cost at June 30, 2015.

Credit Risk. State law limits investments in commercial paper with an A1 and all other investments with an investment grade rating issued by nationally recognized statistical rating organizations (NSROs). The county's policy is to limit its investments in these investment types to the top rating issued by NSROs including raters Standard and Poor's, Fitch Ratings, and Moody's Investors Service.

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The following schedule lists the types of investments and the range of credit ratings as rated by Standard and Poor's:

<u>Investment Type:</u>	Fair Value (in thousands)	Quality Rating Range
U.S. Treasury notes, strips, bills	\$ 30,971	
Federal Home Loan Bank (FHLB)	255,478	A-1+ to AA+
Federal National Mortgage Association (FNMA)	110,697	AA+
Federal Farm Credit Bank (FFCB)	123,340	AA+
Federal Home Loan Mortgage-Corp (FHLMC)	126,870	AAA to AA+
Freddie Mac	1,000	AA+
Fannie Mae	2,151	AAA
Corporate notes	147,173	AA+ to A
Municipal bonds	12,672	Aaa to A
Asset-backed securities	8,005	AAA to NOT RATED
Commercial paper	864,536	A-1
Negotiable certificates of deposit	557,717	NOT RATED
Mutual funds	452,313	NOT RATED
Money market accounts	2,015	AAA
LAIF	222,336	NOT RATED
CAMP	391	NOT RATED
Local obligation bond	14	NOT RATED
International Bank	1,934	AAA
Total	\$ 2,919,613	

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. There are no county investments in which the securities are held by the investment's counterparty not in the name of the county.

Concentration of Credit Risk. The Treasurer's investment policies and guidelines permit the county to be invested in any one issuer's investments up to 10% of the county's total assets of the investments held by the county. Investments issued by or explicitly guaranteed by U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are exempt from this requirement as they are normally diversified themselves. The county invested in FHLB in the amount of \$255,478,000, which represented 8.75% of the county's investments at June 30, 2015.

Other Financial Instruments

In accordance with California statutes, the county may invest in a wide variety of investment instruments, including asset-backed securities, such as: collateralized mortgage obligations and principal-only strips and forward contracts.

The county's investments with the Local Agency Investment Fund (LAIF), a state of California investment pool, at June 30, 2015, included a portion of the pool, at June 30, 2015, which included a portion of the pool funds invested in structured notes and asset-backed securities, as follows:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets (such as principal) and

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interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

The county is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the county's investment in the LAIF pool is reported in the accompanying financial statements at amounts based upon the county's pro rata share of the fair value provided by LAIF, for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. The total amount invested by all public agencies in LAIF as of June 30, 2015, is approximately \$21,500,000,000. LAIF is part of the Pooled Money Investment Account (PMIA) with a total portfolio of approximately \$69,600,000,000 as of June 30, 2015. Of that amount, 97.92% is invested in non-derivative financial products and 2.08% in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members, as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis that is different than the fair value of the county's position in the pool. At June 30, 2015, these investments have an average maturity of 239 days. As of June 30, 2015, the county (excluding the Housing Authority) had \$220,903,000 invested in LAIF. The Housing Authority (March 31, 2015) had \$1,434,000 invested in LAIF.

As of June 30, 2015, the county had no derivative instruments in mutual funds.

At June 30, 2015, (March 31, 2015, for the Housing Authority) the amount of assets restricted by legal and contractual requirements was as follows (in thousands):

	Governmental Activities		Business-type Activities	Fiduciary Activities	Discrete Component Unit
	General Fund	Nonmajor Governmental Funds	County Hospital	RDA Successor Agency	Housing Authority
Pension obligation bond	\$	3			
Nonexpendable portion of permanent fund		1,729			
Public Financing Authority:					
1999 Lease revenue bond		12,342			
2001A & 2001B Lease revenue bonds		401			
2010A & 2010B Lease revenue bonds		1,066			
Pleasant Hill BART bond reserve 1987-1 reserve account		526			
San Ramon bond reserve 1989-1 reserve account		44			
Kensington reserve fund AD 91-1 reserve account		268			
San Pablo bond reserve AD 91-3 reserve account		29			
Pleasant Hill BART RFD 98 reserve account		578			
2013 Special Tax Refunding bonds		207			
Kensington construction/improvement bond AD 91-1		26			
County Hospital Enterprise Fund:					
2010A & 2010B Lease revenue bonds			3,123		
2012A Lease revenue bond			1,423		
Capital lease funds that have not been spent, operating revenues required by lender, and funds held on behalf of its clients					2,606
East Bay Regional Communication System	2,375				
Restricted program money	165				
Low & Moderate Income Housing Assets		7,670			
RDA Successor Agency				4,978	
Total restricted assets	<u>\$ 2,540</u>	<u>24,889</u>	<u>4,546</u>	<u>4,978</u>	<u>2,606</u>

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County management believes that the county is in compliance with all terms of its debt agreements and all state statute requirements.

C. Other Postemployment Benefit Trust Fund

Investment Stewardship

The county has established investment policies for the investments of Contra Costa County Post-Retirement Health Benefits Plan Trust (OPEB Trust). The OPEB Trust is administered by Public Agency Retirement Services (PARS), under the direction of the Post Retirement Health Benefits Trust Agreement Advisory Body, a body designated by the county Board of Supervisors. The OPEB Trust is reported in the Contra Costa County Other Employee Benefit Trust Fund, and does not issue separate financial statements.

The investment policy of the OPEB Trust authorizes investments in eight segments and defines allocations, targets, and limits for each segment as follows:

	Target Mix	Allocation Ranges		Maximum % of Plan Portfolio	Maximum % in Single Issuer
		Minimum	Maximum		
Total Domestic Equity:					
Large Cap	17%	13%	32%	no limit	no limit
Mid Cap	6%	2%	10%	no limit	no limit
Small Cap	8%	4%	12%	no limit	no limit
Global Equity	7%	4%	12%	10%	5%
International Equity (Developed)	9%	4%	16%	no limit	no limit
International Equity (Emerging)	0%	0%	3%	no limit	no limit
Fixed Income	38%	30%	50%	no limit	no limit
High Yield	0%	0%	4%	no limit	no limit
Real Estate	4%	0%	8%	no limit	no limit
Cash (Money Market)	1%	0%	5%	no limit	no limit
Alternatives	10%	5%	20%	5%	no limit

Investments in the Global Fixed Income segment are restricted to obligations of the U.S. Treasury; obligations of U.S. Agency securities (including-mortgage backed securities); certificates of deposit; individual corporate bonds (minimum quality rating of Baa2/BBB at the time of purchase); instruments pursuant to SEC Rule 144(a) or Regulation S; commercial paper (minimum quality rating of P-1/A-1); lower risk planned amortization class collateralized mortgage obligations (CMO) and sequential CMOs (CMOs are limited to 10% of fixed income portfolio); high-yield securities held in high-yield mutual funds; asset-backed securities (e.g. automobiles, credit cards or student loans). Investments in the Real Estate segment are restricted to an individual Real Estate Investment Trust (REIT) securities and commingled funds that invest in REIT.

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At June 30, 2015, the Other Employee Benefit Trust held \$173,308,000 in mutual funds in the following segments (in thousands):

	Market Value at June 30, 2015	Portfolio Allocation
Total Domestic Equity:		
Large Cap	\$ 29,991	18%
Mid Cap	6,664	4%
Small Cap	12,518	5%
Global Equity	11,599	9%
International Equity (Developed)	18,929	11%
Fixed Income	61,705	36%
Real Estate	3,316	2%
Cash (Money Market)	8,342	5%
Alternatives	20,244	10%
	\$ 173,308	

Investment Risk

Investments are subject to certain types of risks, including interest rate risk and credit risk (including custodial credit risk concentrations or credit risk). The following describes those risks:

Interest Rate Risk. The fair value of fixed maturity investments fluctuates in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value of those investments. The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, and other general market conditions. Certain fixed maturity investments may have call provisions that could result in shorter maturity periods.

The OPEB Trust does not have a general policy to manage interest rate risk. However, to help manage interest rate risk, the Core Plus Fixed Income portfolios that have holdings in Collateralized Mortgage Obligations (CMOs) greater than 15 years or less than negative 15 years in duration (based on a 100 basis point move in rates) are limited to no more than 2% of the fixed income portfolio at cost.

At June 30, 2015, the OPEB Trust did hold fixed income investments subject to interest rate risk and the weighted average maturity for the fixed income investments portion was 5.55 years.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the OPEB Trust would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, not registered in the name of the OPEB Trust, and held by the counterparty. At June 30, 2015, the OPEB Trust's investments were not exposed to custodial credit risk because none of the investments were in the name of the county. The OPEB Trust has no general policy on custodial credit risk for deposits.

Concentration of Credit Risk. The investment policies of the OPEB Trust permit investments in numerous specified asset classes to take advantage of professional investment management advice and a well-

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diversified portfolio. At June 30, 2015, the investment portfolio contained no concentration of investments in any one entity that represented 5% or more of the portfolio.

Credit Risk. The OPEB Trust's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and for the exclusive purposes of providing benefits, minimizing contributions, and defraying reasonable expenses of administering the Plan. Investments should be diversified so as to minimize the risk of loss and to maximize the rate of return unless, under the circumstances, it is clearly prudent not to do so. At June 30, 2015, the mutual funds held by the OPEB Trust are not rated by a nationally recognized rating organization.

5. RECEIVABLES

Receivables at year-end of the county's major individual funds, nonmajor, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows (in thousands):

<u>Governmental Activities</u>	<u>General</u>	<u>CCC Fire Protection District Special Revenue</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service</u>	<u>Total Governmental Activities</u>
Taxes receivable	\$ 2,252	1,005	358		3,615
Accounts receivable	165,588	70	33,707	1,936	201,301
Advances receivable	83				83
Gross receivables	<u>167,923</u>	<u>1,075</u>	<u>34,065</u>	<u>1,936</u>	<u>204,999</u>
Less: Allowance for uncollectibles	<u>(4)</u>				<u>(4)</u>
Total receivables (net)	<u>\$ 167,919</u>	<u>1,075</u>	<u>34,065</u>	<u>1,936</u>	<u>204,995</u>
<u>Business-type Activities</u>	<u>County Hospital</u>	<u>HMO Medi-Cal Plan</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Business-type Activities</u>	
Accounts receivable	\$ 265,366	76,684	9,655	351,705	
Gross receivables	<u>265,366</u>	<u>76,684</u>	<u>9,655</u>	<u>351,705</u>	
Less: Allowance for uncollectibles	<u>(183,613)</u>			<u>(183,613)</u>	
Total receivables (net)	<u>\$ 81,753</u>	<u>76,684</u>	<u>9,655</u>	<u>168,092</u>	

Governmental funds report unavailable revenues as a deferred inflow of resources in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds report a liability for unearned revenue in connection with resources that have been received, but not yet earned.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2015

At June 30, 2015, the various components of unavailable revenue and unearned revenue reported were as follows (in thousands):

	Unavailable	Unearned
Governmental Activities:		
General:		
Notes receivable (Community Development Block Grant-CDBG loans)	\$ 81,896	
Advances not yet earned		9,314
Other receivables and advances		6,070
CCC Fire Protection District Special Revenue:		
Resources received that do not yet meet the criteria for revenue recognition	55	
Nonmajor Governmental:		
Notes receivable	18,211	
Advances not yet earned		362
Other receivables and advances		2,563
Resources received that do not yet meet the criteria for revenue recognition	190	
Total Governmental Activities	\$ 100,352	18,309
Business-type Activities:		
HMO Medi-Cal Plan:		
Resources received that do not yet meet the criteria for revenue recognition		\$ 619
Nonmajor Enterprise:		
Resources received that do not yet meet the criteria for revenue recognition		156
Total Business-type Activities		\$ 775

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

6. INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2015, is as follows (in thousands):

Due To/From Other Funds:		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	CCC Fire Protection District Special Revenue Fund	\$ 270
	Nonmajor Governmental Funds	93,740
	County Hospital Enterprise Fund	20,610
	HMO Medi-Cal Enterprise Fund	4,148
	Nonmajor Enterprise Funds	435
	Internal Service Funds	1,453
		<u>120,656</u>
CCC Fire Protection District Special Revenue Fund	General Fund	2
	Internal Service Funds	46
		<u>48</u>
Nonmajor Governmental Funds	General Fund	2,692
	Nonmajor Governmental Funds	1,950
	County Hospital Enterprise Fund	58
	HMO Medi-Cal Enterprise Fund	3
	Nonmajor Enterprise Funds	10
	Internal Service Funds	6
		<u>4,719</u>
County Hospital Enterprise Fund	General Fund	976
	Nonmajor Governmental Funds	86
	HMO Medi-Cal Enterprise Fund	25,117
	Nonmajor Enterprise Funds	6,669
	Internal Service Funds	20
	<u>32,868</u>	
HMO Medi-Cal Enterprise Fund	General Fund	605
	County Hospital Enterprise Fund	392
	Nonmajor Enterprise Funds	210
	<u>1,207</u>	
Nonmajor Enterprise Funds	General Fund	1,514
	County Hospital Enterprise Fund	901
	HMO Medi-Cal Enterprise Fund	103
	Nonmajor Enterprise Funds	4
	Internal Service Funds	5
	<u>2,527</u>	
Internal Service Funds	General Fund	1,021
	Nonmajor Governmental Funds	128
	County Hospital Enterprise Fund	12
	Nonmajor Enterprise Funds	9
	Internal Service Funds	21
	<u>1,191</u>	
Total		\$ <u>163,216</u>

The due to/from other funds account balances primarily resulted from interfund cash transactions recorded after the cash cut-off on June 30, 2015.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2015

B. Interfund Transfers

Fund Financial Statements

Transfers were made during the year from the General Fund to subsidize the operations of the County Hospital, HMO Commercial Plan, and Sheriff Law Enforcement Training Center. Other transfers primarily consisted of payments from the various operating funds (principally the General Fund) to debt service funds in accordance with long-term debt covenants. In addition, special revenue funds made transfers to other funds to reimburse eligible costs incurred.

Interfund transfers to/from other funds for the year ended June 30, 2015, were as follows (in thousands):

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental Funds	\$ 25,010	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	1,879	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	636	Transfer to Road Special Revenue fund for Building and IT costs and Oak Park Blvd Project.
	Nonmajor Governmental Funds	147	Transfer funds to Health and Sanitation Special Revenue fund to cover expended amounts greater than what had been appropriated.
	Nonmajor Governmental Funds	127	Transfer funds for the Sheriff's Patrol usage of helicopter.
	Nonmajor Governmental Funds	122	Transfer a portion of venture capital monies approved by the Board of Supervisors.
	Nonmajor Governmental Funds	3	Transfer a portion of funds to Service Area to cover expended amounts greater than what had been appropriated.
	County Hospital Enterprise Fund	19,743	Provide subsidy to cover portion of the County Hospital's operation.
	County Hospital Enterprise Fund	35	Transfer a portion of venture capital monies approved by the Board of Supervisors.
	Nonmajor Enterprise Funds	3,736	Provide subsidy to cover a portion of the HMO's operation.
	Nonmajor Enterprise Funds	167	Transfer funds to Law Enforcement Training Center operation for purchase of seven training vehicles.
	Nonmajor Enterprise Funds	56	Provide subsidy to cover a portion of Law Enforcement Training Center Operation.
	Internal Service Funds	10	Transfer costs of consulting services to Fleet Internal Service fund.
	Internal Service Funds	2	Transfer from General Fund to Internal Service Fund for property damage deductible.
Total		<u>\$ 51,673</u>	

(continued)

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Nonmajor Governmental Funds	General Fund	\$ 150	Transfer County Service Area EM-1 "Measure H" funds to HAZMAT incident response program for fiscal year 2014-2015.
	General Fund	145	Transfer funds to cover cost overages in the NPP and the WXN programs.
	General Fund	16	Transfer expenses to the Flood Control Special Revenue fund.
	General Fund	6	Transfer funds for voicemail costs from the Road Special Revenue fund to the General fund.
	Nonmajor Governmental Funds	6,573	Transfer SLESA Realignment funds to Supplemental Law Enforcement Services fund.
	Nonmajor Governmental Funds	1,813	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	460	Transfer funds from the Assessment District to the Public Financing Authority.
	Nonmajor Governmental Funds	326	Transfer revenue to Courthouse Construction fund to cover the shortfall of fines and fees revenue.
	Nonmajor Governmental Funds	205	Transfer funds to cover cost overages in the NPP and the WXN programs.
	Nonmajor Governmental Funds	138	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	113	Transfer funds from Family Law Center to Courts and Criminal Justice to correct fund balance.
	Nonmajor Governmental Funds	44	Transfer funds from Wilruss Trust to Library for fiscal year 2014-2015.
Total		<u>\$ 9,989</u>	
County Hospital Enterprise Fund	Nonmajor Governmental Funds	\$ 8,838	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	697	Transfer funds from the County Hospital Enterprise fund to PFA.
Total		<u>\$ 9,535</u>	
HMO Medi-Cal Plan	Nonmajor Governmental Funds	\$ 460	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	35	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		<u>\$ 495</u>	
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	\$ 89	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	7	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		<u>\$ 96</u>	
Internal Service Funds	CCC Fire Protection District Special Revenue Fund	\$ 20	Claim expense reimbursement to CCC Fire Protection District for property damage.
	Nonmajor Governmental Funds	53	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	16	Transfer a portion of funds to Conservation and Development for property damage.
	Nonmajor Governmental Funds	4	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Internal Service Funds	45	Transfer portion of Public Liability Internal Service Fund allocation to Automotive Liability Internal Service fund.
Total		<u>\$ 138</u>	

(concluded)

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2015

Government-wide Financial Statements

Government-wide interfund transfers to/from other funds for the year ended June 30, 2015, were as follows (in thousands):

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Governmental Activities	Governmental Activities	\$ 129	Transfer of equipment from the General Fund to Internal Service Fund.
Total		<u>\$ 129</u>	

The county pays a subsidy to the County Hospital, Health Maintenance Organization, and Sheriff Law Enforcement Training Center Enterprise Funds to provide resources for operating costs which are in excess of operating revenues. Subsidies for the past three years are as follows (in thousands):

<u>Year End June 30</u>	<u>Total Subsidy</u>
2013	\$ 34,433
2014	30,473
2015	23,535

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015 was as follows (in thousands):

	Balance July 1, 2014	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2015
Governmental Activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 67,566				67,566
Construction in progress	65,849	41,505	(30)	(6,696)	100,628
Total capital assets, not being depreciated	<u>133,415</u>	<u>41,505</u>	<u>(30)</u>	<u>(6,696)</u>	<u>168,194</u>
<i>Capital assets, being depreciated:</i>					
Infrastructure	567,542	2,611	(8,740)	9,800	571,213
Structures and improvements	677,248	3,278	(946)	1,597	681,177
Equipment	153,766	14,878	(8,413)	(4,701)	155,530
Intangibles	11,653	332	(350)		11,635
Total capital assets, being depreciated	<u>1,410,209</u>	<u>21,099</u>	<u>(18,449)</u>	<u>6,696</u>	<u>1,419,555</u>
Less accumulated depreciation for:					
Infrastructure	(167,050)	(11,742)	508		(178,284)
Structures and improvements	(431,915)	(18,247)	545		(449,617)
Equipment	(113,180)	(10,228)	7,568		(115,840)
Intangibles	(2,603)	(2,482)	189		(4,896)
Total accumulated depreciation	<u>(714,748)</u>	<u>(42,699)</u>	<u>8,810</u>		<u>(748,637)</u>
Total capital assets, being depreciated, net	<u>695,461</u>	<u>(21,600)</u>	<u>(9,639)</u>	<u>6,696</u>	<u>670,918</u>
Governmental activities capital assets, net	<u>\$ 828,876</u>	<u>19,905</u>	<u>(9,669)</u>		<u>839,112</u>
	Balance July 1, 2014	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2015
Business-type Activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 15,516	852			16,368
Construction in progress	9,272	667		(9,214)	725
Total capital assets, not being depreciated	<u>24,788</u>	<u>1,519</u>		<u>(9,214)</u>	<u>17,093</u>
<i>Capital assets, being depreciated:</i>					
Structures and improvements	278,219	344		9,214	287,777
Equipment	49,678	2,357	(961)		51,074
Intangibles	8,196	2,850	(7,866)		3,180
Total capital assets, being depreciated	<u>336,093</u>	<u>5,551</u>	<u>(8,827)</u>	<u>9,214</u>	<u>342,031</u>
Less accumulated depreciation for:					
Structures and improvements	(127,869)	(7,708)			(135,577)
Equipment	(38,038)	(3,044)	957		(40,125)
Intangibles	(6,603)	(1,926)	7,865		(664)
Total accumulated depreciation	<u>(172,510)</u>	<u>(12,678)</u>	<u>8,822</u>		<u>(176,366)</u>
Total capital assets, being depreciated, net	<u>163,583</u>	<u>(7,127)</u>	<u>(5)</u>	<u>9,214</u>	<u>165,665</u>
Business-type activities capital assets, net	<u>\$ 188,371</u>	<u>(5,608)</u>	<u>(5)</u>		<u>182,758</u>

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

	Balance July 1, 2014	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2015
Component Unit:					
First 5 Contra Costa Children and Families Commission					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 246				246
Total capital assets, not being depreciated	246				246
<i>Capital assets, being depreciated:</i>					
Structures and improvements	667	13			680
Equipment	125	7			132
Total capital assets, being depreciated	792	20			812
Less accumulated depreciation for:					
Structures and improvements	(182)	(25)			(207)
Equipment	(113)	(4)			(117)
Total accumulated depreciation	(295)	(29)			(324)
Total capital assets, being depreciated, net	497	(9)			488
Component unit capital assets, net	\$ 743	(9)			734

	Balance April 1, 2014	Additions	Retirements	Transfers & Adjustments	Balance March 31, 2015
Component Unit:					
Housing Authority of the County of Contra Costa					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 2,977				2,977
Construction in progress	798	529		(757)	570
Total capital assets, not being depreciated	3,775	529		(757)	3,547
<i>Capital assets, being depreciated:</i>					
Structures and improvements	130,113	114		757	130,984
Equipment	2,924	44			2,968
Total capital assets, being depreciated	133,037	158		757	133,952
Less accumulated depreciation for:					
Structures and improvements	(93,202)	(3,134)			(96,336)
Equipment	(2,243)	(105)			(2,348)
Total accumulated depreciation	(95,445)	(3,239)			(98,684)
Total capital assets, being depreciated, net	37,592	(3,081)		757	35,268
Component unit capital assets, net	\$ 41,367	(2,552)			38,815

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

Depreciation

Depreciation expense was charged to governmental functions as follows (in thousands):

General government	\$	18,694
Public protection		10,286
Health and sanitation		490
Public assistance		2,045
Education		394
Public ways and facilities		8,716
Recreation and culture		144
Capital assets held by the county's internal service funds are charged to the various functions based on their usage of the assets.		<u>1,930</u>
Total depreciation expense - governmental functions	\$	<u><u>42,699</u></u>

Depreciation expense was charged to the business-type functions as follows (in thousands):

County Hospital	\$	11,480
Nonmajor Enterprise Funds		<u>1,198</u>
Total depreciation expense - business-type functions	\$	<u><u>12,678</u></u>

8. PAYABLES

Accounts payable and accrued liabilities as of June 30, 2015, were as follows (in thousands):

<u>Governmental Activities</u>	<u>General</u>	<u>CCC Fire Protection District Special Revenue</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service</u>	<u>Total Governmental Activities</u>
Accounts payable	\$ 22,741	1,493	14,395	720	39,349
Accrued payroll	<u>28,560</u>	<u>3,933</u>	<u>3,873</u>	<u>130</u>	<u>36,496</u>
Total accounts payable and accrued liabilities	<u><u>\$ 51,301</u></u>	<u><u>5,426</u></u>	<u><u>18,268</u></u>	<u><u>850</u></u>	<u><u>75,845</u></u>
<u>Business-type Activities</u>	<u>County Hospital</u>	<u>HMO Medi-Cal Plan</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Business-type Activities</u>	
Accounts payable	\$ 11,197	113,967	9,451	134,615	
Accrued payroll	<u>21,889</u>	<u> </u>	<u>211</u>	<u>22,100</u>	
Total accounts payable and accrued liabilities	<u><u>\$ 33,086</u></u>	<u><u>113,967</u></u>	<u><u>9,662</u></u>	<u><u>156,715</u></u>	

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

9. LEASES

A. Operating Leases

Total rental expense for the year ended June 30, 2015, (March 31, 2015 for the Housing Authority), for all operating leases and month-to-month lease arrangements amounted to: \$12,525,000 for the General Fund; \$258,000 for the CCC Fire Protection District Special Revenue Fund; \$290,000 for the nonmajor governmental funds; \$5,536,000 for the County Hospital Enterprise Fund; \$233,000 for the HMO Medi-Cal Plan Fund; and \$106,000 for nonmajor enterprise funds.

At June 30, 2015, the future minimum rental payments required under non-cancelable operating leases for buildings and equipment, other than month-to-month lease arrangements, are as follows (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities
2016	\$ 4,387	100
2017	3,768	100
2018	3,482	
2019	2,900	
2020	2,865	
2021-2025	14,240	
2026-2030	9,284	
Thereafter	796	
	\$ 41,722	200

B. Capital Leases

The county has capital lease purchase agreements for various county buildings, improvements, and equipment. The assets acquired under those lease purchase agreements are included in the county's capital assets. The costs of these assets for both governmental and business-type activities were \$1,400,000 for buildings and improvements, and \$5,666,000 for equipment. The obligations related to those lease purchase agreements are included in the county's long-term obligations (see Note 10). The net book value for both governmental and business-type activities was \$1,092,000 for buildings and improvements, and \$4,229,000 for equipment.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2015 (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities
2016	\$ 2,859	116
2017	2,448	117
2018	2,056	
2019	1,627	
2020	1,249	
2021-2025	4,085	
Total	14,324	233
Less: Amount representing interest	(1,226)	(6)
Present value of future minimum lease payments	\$ 13,098	227

C. Leases of County-Owned Property

The county has non-cancelable operating leases of property to others for various operations including recreational, commercial, airport, and governmental purposes. Rental income for the year ended June 30, 2015, amounted to \$1,833,000 for the General Fund, \$663,000 for nonmajor governmental funds, \$57,000 for the County Hospital Enterprise Fund, and \$3,972,000 for nonmajor enterprise funds.

The leased assets included both land and buildings for both governmental and business-type activities. The net book value of the leased buildings was \$569,000; including cost of \$1,172,000 and accumulated depreciation of \$603,000. The land leases were primarily associated with business-type activities at the Airport. The cost of the land associated with these leases is indeterminate, as the leased land is a small percentage of Airport land asset.

The following is a schedule of future minimum rental receipts on non-cancelable lease agreements, not including month-to-month lease agreements, as of June 30, 2015 (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities
2016	\$ 164	2,711
2017	159	2,562
2018	93	2,454
2019	2	2,356
2020	2	2,272
2021-2025	8	11,237
2026-2030	8	10,376
2031-2035	8	9,449
2036-2040	8	6,425
2041-2045	8	3,765
2046-2050	8	586
2051-2055	8	63
	\$ 476	54,256

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

10. LONG-TERM OBLIGATIONS

The following is a summary of long-term liabilities transactions for the year ended June 30, 2015 (in thousands):

	Balance July 1, 2014 [#]	Additions	Retirements	Principal Adjustments	Balance June 30, 2015	Amounts Due Within One Year
Governmental activities						
Compensated absences	\$ 42,973	38,069	(36,300)		44,742	4,474
Claims payable	165,001	43,341	(38,725)		169,617	37,441
Net OPEB obligation (Note 15)	492,327	2,468			494,795	
Retirement litigation settlement debt service	17,892		(1,329)		16,563	1,435
Net pension liability [#] (Note 14)	820,815		(153,820)		666,995	
Capital leases	3,778	12,291	(2,971)		13,098	2,611
Pension bonds payable	358,445		(28,720)		329,725	32,265
Notes payable	1,276		(130)		1,146	133
Other bonds payable	1,285		(400)		885	430
Lease revenue bonds	126,090		(11,717)		114,373	12,230
Add: unamortized premium	2,899		(383)		2,516	383
Lease revenue bonds, net	128,989		(12,100)		116,889	12,613
Tax allocation bonds	92,445		(2,045)		90,400	2,135
Add: unamortized premium	1,536		(66)		1,470	66
Less: unamortized discounts	(51)		2		(49)	(2)
Tax allocation bonds, net	93,930		(2,109)		91,821	2,199
Special assessments	6,892		(823)		6,069	679
Add: unamortized premium	19		(1)		18	1
Special assessments, net	6,911		(824)		6,087	680
Other noncurrent liabilities	3,984	2,481	(2,006)	144	4,603	
Total governmental activities	\$ 2,137,606	98,650	(279,434)	144	1,956,966	94,281
Business-type activities						
Compensated absences	\$ 15,698	16,679	(15,656)		16,721	1,672
Medical liability claims payable	4,395	1,426	(1,899)		3,922	2,396
Net pension liability [#] (Note 14)	317,078		(59,420)		257,658	
Capital leases		343	(116)		227	113
Notes payable	1,327		(134)		1,193	113
Other noncurrent liabilities	854	108,641	(1,804)		107,691	
Landfill post closure and closure liability ⁽¹⁾	699				699	11
Lease revenue bonds payable	148,132		(10,001)		138,131	10,481
Add: unamortized premium	3,619		(572)		3,047	573
Less: unamortized discounts	(928)		42		(886)	(43)
Lease revenue bonds, net	150,823		(10,531)		140,292	11,011
Total business-type activities	\$ 490,874	127,089	(89,560)		528,403	15,316
Component units						
First 5 Children and Families Commission						
Compensated absences	\$ 153	156	(130)		179	18
Net pension liability [#] (Note 14)	2,071		(388)		1,683	
	2,224	156	(518)		1,862	18
Housing Authority						
Compensated absences	367		(5)		362	255
Notes payable	15,009		(628)		14,381	468
Other noncurrent liabilities (incl. Net OPEB)	5,396	251			5,647	
	20,772	251	(633)		20,390	723
Total component units						
- Long-term obligations - net	\$ 22,996	407	(1,151)		22,252	741

[#]Beginning balance adjusted due to implementation of GASB Statement No. 68.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

Individual issues of bonds and notes outstanding at June 30, 2015, are as follows (in thousands):

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2015
Governmental activities					
Pension obligation bonds ^{(4),(5)} :					
2003 Issue	2022	3.98-5.14	\$ 0-44,925	\$ 322,710	\$ 236,920
2005 CCCFPD Issue	2023	4.11-5.06	1,620-10,900	129,900	92,805
					<u>329,725</u>
Lease revenue bonds ⁽⁸⁾ :					
1999 Lease revenue	2028	4.00-5.25	1,095-3,350	66,560	10,009
2002A Lease revenue	2016	2.75-5.00	155-760	12,650	575
2002B Lease revenue	2019	2.00-4.60	930-2,090	25,440	5,350
2003A Lease revenue	2017	2.00-5.00	365-1,240	18,500	1,565
2007A Lease revenue	2027	4.00-5.00	0-13,294	95,544	57,037
2007B Lease revenue	2018	5.00	1,170-4,525	40,337	11,267
2009A Lease revenue	2024	4.48	1,119-2,057	23,121	15,638
2010B Lease revenue	2025	2.50-5.00	921-1,509	16,808	12,932
					<u>114,373</u>
Tax allocation bonds ⁽³⁾ :					
1999 Tax allocation bond	2029	4.00-5.125	478-3,250	44,615	8,130
2003A Tax allocation bond	2034	3.00-5.85	375-5,055	43,345	5,900
2007A Tax allocation bond	2038	4.00-5.00	285-6,600	87,705	62,350
2007B Tax allocation bond	2038	4.00-5.00	380-1090	16,665	14,020
					<u>90,400</u>
Special assessment debt with government commitment ⁽⁶⁾ :					
Pleasant Hill BART CFD 92-1	2016	8.00	7-14	171	14
Pleasant Hill BART CFD 98-1	2017	4.20-5.10	135-3,075	4,785	880
2013 Special Tax Refunding Bonds	2032	4.10-6.10	110-495	7,220	5,175
					<u>6,069</u>
Other bonds payable ⁽²⁾ :					
CCC PFA revenue bonds 2001	2017	4.00-5.69	360-570	6,575	885
Notes payable ⁽⁷⁾ :					
State Energy Commission	2024	3.95	68-122	1,332	976
PG and E - 1275 Hall Avenue	2023		2-9	94	67
PG and E - 4800 Imhoff Avenue	2019		3-17	168	103
					<u>1,146</u>
Total governmental activities					<u>\$ 542,598</u>

COUNTY OF CONTRA COSTA
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<u>Type of indebtedness (purpose)</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2015</u>
Business-type activities					
Notes payable ⁽⁷⁾ :					
State Energy Commission	2025	3.95%	\$ 83-149	\$ 1,628	\$ <u>1,193</u>
					<u>1,193</u>
Lease revenue bonds ⁽⁸⁾ :					
Hospital Enterprise					
1999 Los Medanos	2028	3.00-5.25	150-505	8,125	1,231
2007A Lease revenue	2028	4.00-5.00	0-3,691	26,521	64,148
2007B Lease revenue	2018	5.00	2,485-9,615	69,928	20,603
2009A Lease revenue	2024	4.48	94-173	1,940	1,312
2010A Lease revenue	2040	3.00-7.00	475-1,900	40,620	38,840
2010B Lease revenue	2025	2.50-5.00	34-56	627	483
2012 Lease revenue	2027	2.68	784-1,105	13,102	<u>11,514</u>
					<u>138,131</u>
Total business-type activities					\$ <u>139,324</u>

NOTES:

(1) State environmental laws require the monitoring by the county of closed landfills for at least thirty years after closure. The liability is recognition of the estimated cost of performing the required post closure monitoring subject to changes resulting from inflation, technology, or changes in applicable laws or regulations.

(2) Debt service payments are made from restricted property taxes and other revenues recorded in the debt service funds.

(3) The tax allocation bonds are secured by property tax revenues. Dissolution of the Redevelopment Agency on February 1, 2012, caused the shift of allocation of the property tax distribution from the Contra Costa County Redevelopment Agency to the Successor Agency to the Contra Costa County Redevelopment Agency (Successor Agency) in the Private-Purpose Trust funds. The total principal and interest remaining to be paid on the bonds is \$157,320,000. For the current year, the principal and interest paid were \$7,583,000 and property tax revenues were \$10,147,000 through the Successor Agency. The tax allocation bonds required 75% of current year's property tax revenues.

Beginning February 1, 2012, Contra Costa County Redevelopment Agency was dissolved as a result of California Assembly Bill 1X 26 signed by the Governor of the State of California. On the date of dissolution all assets and liabilities were transferred to and became the assets and liabilities of the Successor Agency to the Contra Costa County Redevelopment Agency. However, because the tax allocation bonds are debt of the County of Contra Costa Public Financing Authority, they continue to be shown as a liability to the county.

(4) In April 2003, the county issued \$322,710,000 in taxable pension obligation bonds (2003 Series A).

(5) In July 2005, the CCC Fire Protection District issued \$129,900,000 in taxable pension obligation bonds (2005 Series). Debt service payments are made from county and CCC Fire Protection District revenues.

COUNTY OF CONTRA COSTA
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- (6) Debt service payments are made from special assessment levies on properties in each assessment district. The county administers the assessment and repayment of those bonds. Since early redemption is allowed, there may be differences between the earnings on money received from property owners wishing to pay off their debt early and the interest obligation that accumulates on their debt between the time they submit funds to the county and the next available redemption date, as stated in the bonds' official statements. The county has historically funded this difference and to that extent may be obligated in some manner for this debt.

Annual principal and interest payments on the special assessment debt are expected to require 75% of revenues. The total principal and interest remaining to be paid on the debt is \$7,806,000. For the current year, principal and interest paid were \$1,056,000 and revenues were \$1,363,000. The special assessment debt required 76% of current year's revenues.

- (7) Debt service payments are made from operating revenues.
- (8) Debt service payments are made from lease payments by the General Fund, Special Revenue Funds, and County Hospital Enterprise Fund to the Public Financing Authority.

There are a number of limitations and restrictions contained in the various bond indentures. County management believes that the county is in compliance with all significant limitations and restrictions.

General, special revenue, and internal service funds have been used to liquidate compensated absences, claims payable, net pension liabilities, and other postemployment benefits (OPEB) liabilities within the governmental activities in prior years.

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Following is a schedule of debt payment requirements to maturity for governmental activities for long-term obligations, excluding compensated absences, net OPEB obligation, net pension liability, claims payable, and other noncurrent liabilities that have indefinite maturities, outstanding at June 30, 2015 (in thousands):

Fiscal Year Ending June 30	Capital Lease Obligations		Pension Obligation Bonds		Other Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,611	248	32,265	17,184	430	37
2017	2,181	267	36,090	15,553	455	13
2018	1,849	207	40,240	13,691		
2019	1,469	158	44,805	11,514		
2020	1,130	119	49,720	9,087		
2021-2025	3,858	227	126,605	10,073		
Total	\$ 13,098	1,226	329,725	77,102	885	50

Fiscal Year Ending June 30	Lease Revenue Bonds		Retirement Litigation Settlement	
	Principal	Interest	Principal	Interest
2016	\$ 12,230	5,117	1,435	1,325
2017	10,778	4,541	1,550	1,210
2018	10,737	4,060	1,673	1,086
2019	11,061	3,632	1,807	953
2020	9,969	3,223	1,952	808
2021-2025	44,929	9,257	8,146	1,540
2026-2030	14,669	1,159		
Total	\$ 114,373	30,989	16,563	6,922

Fiscal Year Ending June 30	Tax Allocation Bonds		Special Assessment Debt		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,135	5,422	679	198	133	38
2017	2,165	5,301	710	169	137	34
2018	2,295	4,857	255	151	141	30
2019	2,410	4,413	260	146	121	26
2020	2,545	4,287	270	140	117	22
2021-2025	15,500	19,212	1,445	586	497	43
2026-2030	20,560	14,505	1,700	317		
2031-2035	29,135	7,919	750	30		
2036-2040	13,655	1,004				
Total	\$ 90,400	66,920	6,069	1,737	1,146	193

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As of June 30, 2015, annual debt service requirements of business-type activities to maturity, except for compensated absences, net pension liability, medical liability claims payable, landfill post closure liability, and other noncurrent liabilities that have indefinite maturities, are as follows (in thousands):

Fiscal Year Ending June 30	Capital Lease Obligations		Notes Payable		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 112	4	113	46	10,481	7,090
2017	115	2	117	42	10,601	6,598
2018			122	37	11,124	6,072
2019			127	32	11,599	5,581
2020			132	27	12,085	5,071
2021-2025			582	53	48,238	16,532
2026-2030					13,778	9,007
2031-2035					9,170	5,815
2036-2040					11,055	2,380
Total	\$ 227	6	1,193	237	138,131	64,146

Defeased Obligations

The county has defeased certain obligations by placing a portion of the proceeds of new debt issuances in irrevocable trusts to provide for all future debt service payments on the refunded obligations. Accordingly, the trust account assets and the liability of the defeased debt are not included on the financial statements of the county. On June 30, 2015, \$6,810,000 in outstanding obligations is considered to be defeased.

Legal Debt Limit

As of June 30, 2015, the county's debt limit (5% of valuation subject to taxation) was \$8.176 billion. The total amount of debt applicable to the debt limit was \$312 million, net of assets in the debt service funds and other deductions allowed by law. The resulting legal debt margin was \$7.864 billion.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years.

The county engages consultants to perform calculations of excess investment earnings on tax-exempt bonds. During fiscal year ending June 30, 2015, a de minimis amount was paid to the IRS relating to the defeased 1992 certificates of participation. As of June 30, 2015, the county does not expect to incur further liability.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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11. CONDUIT DEBT

From time to time Multifamily/Single Family Housing Revenue Bonds have been issued in the county's name to provide mortgage loans secured by first trust deeds on newly constructed and existing housing and to provide funds to builders for construction/remodeling of housing projects.

The bonds do not constitute an indebtedness of the county. They are payable solely from payments made on and secured by a pledge of the acquired mortgage loans or housing units and certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures. The county is not obligated in any manner for repayment of the indebtedness. Accordingly, no liability has been recorded in the basic financial statements.

As of June 30, 2015, the county had participated in the issuance of 33 series of Multifamily or Single Family Housing Revenue Bonds. The aggregate principal amount remaining payable for the bonds issued was \$377,679,000.

Not included in the above amount are two defeased issues totaling \$30,525,000.

12. NET POSITION/FUND BALANCES

The government-wide financial statements and proprietary and fiduciary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted net position* – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The restricted assets are reduced by liabilities and deferred inflows of resources related to those assets and are used to arrive at restricted net position.
- *Unrestricted net position* – This category represents net position of the county, not restricted for any project or other purpose.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. As of June 30, 2015, fund balances for governmental funds are made up of the following:

- *Nonspendable fund balance* – This category consists of amounts that are (1) not spendable in form (i.e. amounts representing inventory, prepaid expenses, and advances to other funds), or

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

(2) not spendable because of a legal requirement to maintain intact (i.e. amount representing the nonexpendable portion of the permanent fund).

- *Restricted fund balance* – This category consists of amounts that are constrained for a specific purpose through restrictions of external parties (i.e. creditors, grantors, contributors, or laws or regulations of other governments), or by constitutional provision or enabling legislation.
- *Committed fund balance* – This category consists of amounts that are constrained for specific purposes imposed by formal action of the county’s highest level of decision-making authority, the county’s Board of Supervisors. Commitments may be changed or lifted only by the county taking the same formal action that originally imposed the constraint.
- *Assigned fund balance* – This category consists of amounts that are constrained by the government’s intent to be used for a specific purpose but are neither restricted nor committed. Authorization to assign fund balance rests with the Board of Supervisors through the budget process, as governed by the state of California’s County Budget Act.
- *Unassigned fund balance* – This category represents the residual classification for the county’s General Fund. It includes all amounts that are not reported as constrained in other classifications. Other governmental funds will only have an unassigned fund balance if they have a negative residual balance.

The most binding action the Board of Supervisors can take is the passing of a county ordinance. Most ordinances also have a third-party restriction. As such, most fund balance constrained by an ordinance is deemed to be restricted. Only fund balance constrained by an ordinance without a third-party restriction is deemed to be committed.

The county has not established a policy for its use of fund balance amounts. In circumstances where an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the following order: (1) restricted, (2) committed, (3) assigned, (4) unassigned.

COUNTY OF CONTRA COSTA
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Fund balances for all of the major and nonmajor governmental funds as of June 30, 2015, were distributed as follows (in thousands):

	General Fund	CCC Fire Protection District Special Revenue	Nonmajor Governmental Funds	Total
Nonspendable:				
Nonspendable in form:				
Inventories	\$ 1,672	612		2,284
Prepaid items and deposits	9,092	1,251	1,356	11,699
Legally nonspendable:				
Permanent fund			1,729	1,729
Total nonspendable	<u>10,764</u>	<u>1,863</u>	<u>3,085</u>	<u>15,712</u>
Restricted for:				
Board of Supervisors	2			2
County Administrator's Office	120			120
Board Mitigation Programs	413			413
Employee/Retirement Benefits	2,284			2,284
Vehicle Theft	875			875
Probation	775			775
Environmental Health Programs	773			773
Keller Canyon Mitigation Fund	588			588
AIDS (HOPWA) grant	254			254
East Bay Regional Communication Systems (EBRCS) Investment	2,375			2,375
Public Works	390			390
Cash for Keys	164			164
Fire Protection		661	326	987
Road			70,350	70,350
Library Services			6,600	6,600
Low & Moderate Income Housing Assets			16,809	16,809
Health and Sanitation			58,087	58,087
Land Development			17,044	17,044
Service Areas - Public Protection			6,962	6,962
Service Areas - Education			153	153
Service Areas - Recreation and Parks			2,963	2,963
Service Areas - Public Ways			11,510	11,510
Flood control			60,307	60,307
Law Enforcement			15,947	15,947
Recorder/Clerk Modernization			8,831	8,831
Child Development			93	93
In-Home Support Services			98	98
County Local Revenue Fund 2011			38,955	38,955
Other Special Revenue			38,457	38,457
Capital Projects			745	745
Public Financing Authority			15,253	15,253
Family Law Center			2,306	2,306
CCC Fire Protection District Pension Bond			10,431	10,431
County Pension Bond			10,125	10,125
Assessment Districts			2,754	2,754
Library programs (spendable perm funds)			82	82
Total restricted	<u>9,013</u>	<u>661</u>	<u>395,188</u>	<u>404,862</u>
Committed to:				
Transient Occupancy Tax Programs	1,508			1,508
Service Areas - Public Protection			18	18
Crockett Cogeneration			324	324
Total committed	<u>1,508</u>	<u></u>	<u>342</u>	<u>1,850</u>

(continued)

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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	General Fund	CCC Fire Protection District Special Revenue	Nonmajor Governmental Funds	Total
Assigned to:				
Equipment Replacement	\$ 3,635			3,635
Litigation and Audit	5,000			5,000
General Fund Capital Reserve	13,644			13,644
Board of Supervisors	32			32
County Administrator	4,756			4,756
Auditor-Controller	530			530
Treasurer-Tax collector	1			1
Assessor	15			15
Purchasing	17			17
Management Information System	1,349			1,349
County Counsel	605			605
Human Resources	207			207
Child Care	119			119
Elections	2,370			2,370
General County Building Occupancy	206			206
Building Maintenance	249			249
Minor Building Improvements	59			59
Facilities Life Cycle Improvements	21,825			21,825
Capital Facilities	18,913			18,913
Economic Promotion	50			50
Retiree Health Care	11,409			11,409
Information Technology	58			58
Print and Mail	296			296
Law and Justice	5,363			5,363
District Attorney	315			315
Sheriff	782			782
Sheriff Detention	231			231
Health Services-Detention Inmates	6			6
Probation Programs	213			213
Probation Facilities	193			193
Agriculture-Weights/Measures	188			188
Clerk Recorder	6			6
Emergency Services	335			335
Animal Services	490			490
Public Health	82			82
Environmental Health	51			51
Health Services-California Child Services	1			1
Alcohol and Other Drug Services	16			16
Mental Health	24			24
Employment and Human Services	302			302
Aging and Adult Services	8			8
Workforce Services	48			48
Veterans Service Office	18			18
Community Services	88			88
Public Works	64			64
Fire Protection		31,923	4	31,927
Road			2,782	2,782
Library Services			10,180	10,180
Health and Sanitation			40	40
Low & Moderate Income Housing Assets			7	7
Land Development			613	613
Service Areas - Public Protection			98	98
Service Areas - Education			1	1
Service Areas - Recreation and Parks			576	576
Service Areas - Public Ways			490	490
Flood Control			2,676	2,676
Law Enforcement			14,155	14,155
Child Development			3	3
Other Special Revenue			1,715	1,715
Total assigned	<u>94,169</u>	<u>31,923</u>	<u>33,340</u>	<u>159,432</u>
Unassigned	<u>179,883</u>			<u>179,883</u>
Total	<u>\$ 295,337</u>	<u>34,447</u>	<u>431,955</u>	<u>761,739</u>

(concluded)

COUNTY OF CONTRA COSTA
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General Fund Reserve Requirements

In December 2005, as amended in June 2012, the county's Board of Supervisors adopted a General Fund Reserve Policy. The establishment and maintenance of the reserve was considered to be a key element in enhancing the management of the county's finances and maintaining the county's credit quality. It balanced the need to maintain a reserve for severe circumstances with the need to address revenue shortfalls, unanticipated expenses, and emergency situations. The computed reserves are classified as unassigned fund balance in the governmental funds balance sheet.

The General Fund Reserve Policy includes the following:

- The county shall strive to achieve a minimum unassigned General Fund balance of 5% of budgeted General Fund revenues and a minimum total General Fund balance of 10% of budgeted General Fund revenues.
- Until such time as the county has an unreserved General Fund balance equal to at least 5% of budgeted General Fund revenues, no less than \$2 million of year-end fund balance in any fiscal year shall be added to the appropriation for Contingency Reserve.
- In the event the county realizes reserves above the minimum levels defined by this policy, the first use shall be to annually deposit the funds into an account designated for capital projects and other one-time uses, up to an amount equal to 1% of General Fund revenues per year.
- Reserves may be drawn below the minimum level in order to address an unforeseen emergency, to fund a non-recurring expense, or to fund a one-time capital cost; but only following the adoption, by a four-fifths vote, of a resolution of the Board of Supervisors specifying the circumstances that justify the invasion of the minimum reserve level.
- Should reserves fall below the established minimum levels, a request to utilize reserve funds must be accompanied by recommendations for restoring, within three years, minimum reserve levels.

Encumbrances

The county uses encumbrances to control expenditure commitments and enhance cash management. Encumbrances reflect the outstanding contractual obligations for which goods and services have not been received. They are set up to reserve portions of applicable appropriations. Encumbrances still open at year end are not accounted for as expenditures or liabilities, but as a constraint imposed on fund balance. As of June 30, 2015, the county's General Fund has a total of \$43,234,000 in encumbrances, which were reported as part of assigned fund balance on the governmental fund balance sheet. Additionally, total encumbrances are \$362,000 in the Contra Costa County Fire Protection District Special Revenue Fund, and \$8,893,000 in the nonmajor governmental funds, which are reported as part of restricted, committed, and assigned fund balance, as appropriate, on the governmental fund balance sheet. The County Hospital Enterprise Fund reports \$2,210,000, the Health Maintenance Organization Medi-Cal Plan Enterprise Fund reports \$72,000, the nonmajor enterprise funds report \$263,000, and the internal service funds report \$1,444,000 in encumbrances at June 30, 2015, which are reported as part of unrestricted net position on the proprietary fund statement of net position.

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13. PERMANENT FUND

The Permanent Fund accounts for the financial activities and balances of donor-restricted endowments for the county's libraries. Interest income may be used for the establishment and furnishing of children's areas within libraries, literacy programs and the acquisition of books that meet the criteria of the endowments. In accordance with the terms of the endowments and the California Government Code Section 25355, only the interest income may be used; any unused income may be used in a subsequent year. The amount available for spending, \$82,000 at June 30, 2015, is shown on the Statement of Net Position as Net Position Restricted for Permanent Fund—expendable portion.

14. EMPLOYEES' RETIREMENT PLAN

A. General Information about the Pension Plan

Plan Description

The Contra Costa County Employees' Retirement Association (CCCERA) is a cost-sharing multiple-employer defined benefit pension plan (the plan) and is governed by the Board of Retirement (Board) under the County Employees Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). The plan covers substantially all of the employees of the county, its special districts, the Housing Authority and four other member agencies. The plan issues stand-alone financial statements which can be directly obtained from its office.

The management of CCCERA is vested with the CCCERA Board of Retirement. The Board consists of twelve trustees. Of the twelve members, three are alternates. Four trustees are appointed by the County Board of Supervisors; four trustees (including the Safety alternate) are elected by CCCERA's active members; two trustees (including one alternate) are elected by the retired membership. Board members serve three-year terms, with the exception of the County Treasurer who is elected by the general public and serves during his tenure in office.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CCCERA plan and additions to/deductions from the CCCERA's fiduciary net position have been determined on the same basis as they are reported by CCCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided

The plan provides for retirement, disability, death and survivor benefits, in accordance with the 1937 Act. Annual cost-of-living adjustments (COLA) to retirement benefits can be granted by the Retirement Board as provided by state statutes.

CCCERA provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the county or participating agencies become members of CCCERA effective

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on the first day of the first full pay period after employment. Part-time employees in permanent positions must work at least 20 hours a week in order to be a member of CCCERA. There are separate retirement plans for General and Safety member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain other "Safety" classifications. There are currently five tiers applicable to Safety members. Safety members with membership dates before January 1, 2013, are included in Tier A (Enhanced and Non-Enhanced). County Sheriff's Department Safety members hired on or after January 1, 2007, but before January 1, 2013, are placed in Safety Tier C Enhanced. Any new Safety Member who becomes a member on or after January 1, 2013, is designated PEPRA Safety Tier D or E (Safety Members from certain bargaining units) and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code §7522 et seq.

All other employees are classified as General members. There are currently eight tiers applicable to General members. General Tier 1 (Enhanced and Non-Enhanced) includes general members hired before July 1, 1980, and electing not to transfer to Tier 2 Plan. In addition, certain General members with membership dates before January 1, 2013, hired by specific employers who did not adopt Tier 2 are placed in Tier 1. General Tier 2 includes most General members hired on or after August 1, 1980, and all General members hired before July 1, 1980, electing to transfer to the Tier 2 plan. Effective October 1, 2002, for the County, Tier 2 was eliminated and all County employees (excluding CNA employees) in Tier 2 were placed in Tier 3 (Enhanced and Non-Enhanced). Effective January 1, 2005, all CNA employees in Tier 2 were placed in Tier 3. New General Members who become a member on or after January 1, 2013, are designated as PEPRA General Tier 4 (hired by specific employers who did not adopt Tier 2) and Tier 5 (with 2%/3% maximum COLAs) and are subject to the provisions of California Government Code §7522 et seq.

General members prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service or at age 52, and have acquired five years of retirement service credit.

Safety members prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service or at age 50, and have acquired five years of retirement service credit.

General Tier 1 and Tier 3 benefits are calculated pursuant to the provisions of Sections 31676.11 and 31676.16 for Non-Enhanced and Enhanced benefit formulae, respectively. The monthly allowance is equal to 1/60th (Non-Enhanced) and 1/50th (Enhanced) of final compensation times years of accrued retirement service credit times age factor from either section §31676.11 (Non-Enhanced) or 31676.16 (Enhanced). General Tier 2 benefit is calculated pursuant to the provisions of Sections §31752. General member benefits for those with membership dates on or after January 1, 2013, (PEPRA General Tier 4 and 5) are calculated pursuant to the provisions found in California Government Code Section

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§7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section §7522.20(a).

Safety member benefits are calculated pursuant to the provisions of California Government Code Sections §31664 and §31664.1 for Non-Enhanced and Enhanced formulae, respectively. The monthly allowance is equal to 1/50th (or 2%) of final compensation times years of accrued retirement service credit times age factor from Section §31664 (Non-Enhanced) or 3% of final compensation times years of accrued retirement service credit times age factor from §31664.1 (Enhanced). For those Safety member with membership dates on or after January 1, 2013, (PEPRA Safety Tier D and Tier E) benefits are calculated pursuant to the provisions found in California Government Code Section §7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement service credit multiplied by the age factor from Section §7522.25(d).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no final compensation limit in the maximum retirement benefit for members with membership dates on or after January 1, 2013.

Final average compensation consists of the highest 12 consecutive months for General Tier 1, General Tier 3 (non-disability) and Safety Tier A members and the highest 36 consecutive months for General Tier 2, General Tier 3 (disability), PEPRA General Tier 4, PEPRA Tier 5, Safety Tier C, PEPRA Safety Tier D, and PEPRA Safety Tier E members.

CCCERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based on the Consumer Price Index for the San Francisco-Oakland-San Jose Area, is capped at 3.0% for General Tier 1, General Tier 3 (non-disability benefits), PEPRA General Tier 4, PEPRA General Tier 5-3% (non-disability benefits), Safety Tier A and PEPRA Safety Tier D. The cost of living adjustment is capped at 4.0% for General Tier 3 (disability benefits), General Tier 2 and PEPRA General Tier 5-3% (disability benefits). The cost-of-living adjustment is capped at 2.0% for General Tier 5-2%, Safety Tier C and PEPRA Safety Tier E.

Contributions

The County of Contra Costa and participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from CCCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of December 31, 2014, for the fiscal year beginning July 1, 2014, (based on the December 31, 2012, valuation) was 49.82% of compensation.

Members are required to make contributions to CCCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of December 31, 2014, (based on the December 31, 2012 valuation) was 12.20% of compensation.

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The county employer rates of contribution, calculated as a percentage of the county's covered payroll as determined in an actuary report as of December 31, 2013, for fiscal year 2014-2015 are:

	Members with Membership dates before January 1, 2011	Members with Membership dates on or after January 1, 2011 and before January 1, 2013	Members with Membership dates on or after January 1, 2013
General Members, Tier I Enhanced	38.76%	39.86%	N/A
General Members, Tier II	N/A	N/A	N/A
General Members, Tier III Enhanced	37.85%	37.30%	N/A
General PEPR Tier IV (2% Max COLA)	N/A	N/A	31.10%
General PEPR Tier IV (3% Max COLA)	N/A	N/A	32.17%
General PEPR Tier V (2% Max COLA)	N/A	N/A	30.66%
General PEPR Tier V (3%/4% Max COLA)	N/A	N/A	31.55%
Safety Members, Tier A Enhanced	89.77%	92.45%	N/A
Safety Members, Tier C Enhanced	82.51%	80.28%	N/A
Safety Members, PEPR Tier D	N/A	N/A	74.55%
Safety Members, PEPR Tier E	N/A	N/A	72.05%
CCC Fire Protection District - Tier I Enhanced	43.53%	45.02%	N/A
CCC Fire Protection District - Safety Tier A Enhanced	86.52%	83.33%	N/A
CCC Fire Protection District - Safety PEPR Tier D	N/A	N/A	72.81%
CCC Fire Protection District - PEPR Tier IV (3% Max COLA)	N/A	N/A	37.17%

A copy of CCCERA's Comprehensive Annual Financial Report for calendar year end December 31, 2014, can be located at www.cccera.org.

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pension

Per the GASB 68 Actuarial Report provided by CCCERA the Net Pension Liability (NPL) allocation to its member employers was based on the following definition of covered payroll:

"Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included."

For the purposes of allocating the NPL within the county's CAFR, the GASB Statement No. 68 definition of covered payroll was used. Covered payroll under this definition includes the payroll of employees that are provided with pensions through the pension plan. The allocation of the NPL provided by CCCERA for the county did not include Contra Costa County Fire Protection District (CCCFPD) and In Home Supportive Services (IHSS) because the NPL was identified and provided for those entities separately. The county's NPL allocation for reporting purposes was combined with the CCCFPD and IHSS NPLs to produce the overall county NPL.

At June 30, 2015, the county reported a liability of \$924,653,000 for its proportionate share of the net pension liability which includes Pension Obligation Bonds and UAAL Prepayments. The net pension liability was measured as of December 31, 2014, and the total pension liability (TPL) used to calculate the net pension liability was based on an actuarial valuation as of December 31, 2013. The county's proportion of the net pension liability was based on a projection of the county's covered payroll for fiscal year 2014-2015 relative to the covered payroll of all Pension Plan participants. At December 31, 2014, the County's proportion was 77.33%.

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Plan Fiduciary Net Position (plan assets) was valued as of the measurement date while the TPL was determined based upon rolling forward the TPL from actuarial valuations as of December 31, 2013, and 2012, respectively. As of December 31, 2014, the Plan Fiduciary Net Position was \$6,908,910,000.

For the year ended June 30, 2015, the County recognized pension expense of \$134,813,000. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2015, the county reported deferred outflows of resources and deferred inflows of resources related to pension for the following sources (in thousands):

	Deferred Outflows of Resources		
	Governmental activities	Business-type activities	First 5 Contra Costa Children and Families Commission
Differences between expected and actual experience	\$ 9,295	4,357	
Changes in proportion			85
Contributions subsequent to the measurement date	93,348	38,616	303
Total	<u>\$ 102,643</u>	<u>42,973</u>	<u>388</u>

	Deferred Inflows of Resources		
	Governmental activities	Business-type activities	First 5 Contra Costa Children and Families Commission
Differences between expected and actual experience	\$ 80,155	30,963	202
Changes in assumptions	33	13	
Net difference between projected and actual earnings on retirement plan investments	5,961	2,303	15
Changes in proportion	8,413		
Total	<u>\$ 94,562</u>	<u>33,279</u>	<u>217</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$93,348,000 and \$38,616,000 reported as deferred outflows of resources for governmental and business-type activities, respectively, related to pension resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows (in thousands):

Fiscal Year Ended	Governmental activities Amount	Buisness-type activities Amount
06/30/16	\$ (23,519)	(7,970)
06/30/17	(23,519)	(7,970)
06/30/18	(23,519)	(7,970)
06/30/19	(14,710)	(5,012)
	<u>\$ (85,267)</u>	<u>(28,922)</u>

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Actuarial Assumptions

The Total Pension Liability (TPL) as of December 31, 2014, and December 31, 2013, were determined by actuarial valuations as of December 31, 2013 and December 31, 2012, respectively. The actuarial assumptions used were based on the results of an experience study for the period January 1, 2010, through December 31, 2012. They are generally the same as the assumptions used in the December 31, 2013, and the December 31, 2014, funding actuarial valuations except that, for GASB 68 purposes, the investment return assumption used is net of investment expenses only and is not net of administrative expenses. Note that the leave cash-out assumption for Safety Tier C has been reduced to zero effective with the December 31, 2014, funding actuarial valuation and that change has been reflected in the December 31, 2014, measurement for GASB 68 purposes. In particular, the following actuarial assumptions were applied to all periods included in the measurement for both the December 31, 2013, and December 31, 2012, actuarial valuations:

Inflation	3.25%
Salary increases	General: 4.75% to 13.50% and Safety: 4.75% to 14.00%, varying by service, including inflation
Investment rate of return	7.25%

When measuring pension liability GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as CCCERA uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is determined on generally the same basis as CCCERA's Actuarial Accrued Liability (AAL) measure for funding.

Mortality rates for member contribution rates for General Members were based on the RP-2000 Combined Healthy Mortality Table projected to 2030 with Scale AA, set back one year, weighted 30% male and 70% female. Safety Members were based on the RP-2000 Combined Healthy Mortality Table projected to 2030 with Scale AA, set back two years, weighted 85% male and weighted 15% female.

The long-term expected rate of return on pension plan investments was determined in 2013 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. This return is combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin.

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The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	13.60 %	6.09 %
Small Cap U.S. Equity	5.80	6.79
Developed International Equity	17.60	6.66
Emerging Markets Equity	5.60	8.02
U.S. Core Fixed Income	16.10	0.83
International Bonds	3.30	0.69
High Yield Bonds	5.00	3.32
Inflation-Indexed Bonds	1.66	0.73
Long Duration Fixed Income	5.00	1.45
Real Estate	12.50	4.83
Commodities	1.67	4.71
Private Equity	10.00	8.95
Alternative Investment (Timber)	1.67	4.20
Cash & Equivalents	0.50	0.25
Total	100.00 %	

Discount Rate

The discount rate used to measure the TPL was 7.25% as of both December 31, 2014, and December 31, 2013. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.25% was applied to all periods of projected benefit payments to determine the TPL as of both December 31, 2014, and December 31, 2013.

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Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability (NPL) of CCCERA as of December 31, 2014, which is allocated to all employers, calculated using the discount rate of 7.25%, as well as what the county's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate (in thousands):

	<u>1% Decrease 6.25%</u>	<u>Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
County's proportionate share of the net pension plan liability	\$ 1,819,786	\$ 924,653	\$ 187,405

C. First 5 Contra Costa Children and Families Commission

First 5 Contra Costa Children and Families Commission is a discretely presented component unit and is an active participant of CCCERA. As of June 30, 2015, the proportionate share of net pension liability was \$1,683,000.

CCCERA issues stand-alone financial statements which can be directly obtained from its office.

D. Housing Authority of the County of Contra Costa

The Housing Authority of the County of Contra Costa is a discretely presented component unit and is an active participant of CCCERA. The Housing Authority of the County of Contra Costa was not required to implement GASB 68 due to its fiscal year end of March 31, 2015. The Housing Authority has not recorded the unfunded liability to the books of accounts due to the timing outlined in the GASB No. 68 release. The Housing Authority anticipates that the full implementation of this statement will have a material impact on the financial statements beginning next year. As of March 31, 2015, the proportionate share of net pension liability would have been \$8,653,000.

CCCERA issues stand-alone financial statements which can be directly obtained from its office.

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15. OTHER POSTEMPLOYMENT BENEFIT (OPEB)

A. Plan Description

The county is the plan sponsor and administers a multiple-employer defined benefit healthcare plan. Currently, the plan provides postemployment medical and dental insurance benefits to eligible retired employees and their dependents. Health benefit provisions for active employees are established and may be amended through negotiations between the county and the respective bargaining units. See Note 18 Commitments and Contingencies – B. Health Insurance. The county does not issue a separate audit report on its Other Postemployment Benefit Plan.

The county contracts with Kaiser Permanente, Health Net, Contra Costa Health Plans, and the California Public Employees’ Retirement System (CalPERS) to provide medical benefits and Delta Dental and PMI Deltacare for dental benefits.

The Contra Costa County Board of Supervisors has adopted changes to the subsidy the county currently pays toward eligible retirees’ monthly medical and dental premiums for both safety and non-safety employees. This subsidy varies by bargaining unit and date of hire.

- Currently, eligible retirees from all bargaining units not specifically listed below may receive county subsidies towards medical and dental premiums in the same amounts as active employees, with no future increases in this subsidy amount. Employees hired on or after dates described in the table below and represented by the following bargaining groups, who are eligible for access to county health plans as retirees, must pay the entire cost of premiums to maintain coverage at retirement.

Bargaining Unit Name	Hire Date on or after which eligible retirees must pay entire cost of premiums
IFPTE, Unrepresented	January 1, 2009
AFSCME, Western Council of Engineers, SEIU, and PEU	January 1, 2010
Deputy District Attorneys Association	December 14, 2010
Probation Peace Officers Association of CCC	January 1, 2011
CCC Public Defenders Association	March 1, 2011
Physicians and Dentists' Organization of Contra Costa	November 1, 2013

- Currently, for eligible retirees from the Deputy Sheriffs’ Association, the county will contribute toward the cost of monthly medical premiums an amount equal to the actual dollar monthly premium amount paid by the county as of November 30, 2013, for premium increases in 2014 and later, the county and retiree will split the increase evenly.
- Currently, for eligible Fire Management retirees represented by United Chief Officers Association, the District will subsidize an amount equal to 80% of the CalPERS Kaiser Bay Area premium.
- Currently, for eligible retirees from the District Attorney Investigators’ Association, the county will pay a subsidy toward the cost of monthly medial premiums equal to the actual dollar monthly premium amount paid by the county in 2013, for premium increases 2014 and later, the county subsidy will increase by 75% of the actual premium increase in Bay Area Kaiser rates.

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- Currently, for eligible retirees from the Physicians and Dentists Organization of Contra Costa, the California Nurses Association, and the UPFF, Local 1230, the county/district subsidizes a percentage of monthly premiums that varies depending on the medical and dental plan elected.

B. Eligibility

Currently, eligible county retirees may participate in the plans upon retirement from the county (drawing a pension from CCCERA). Currently, eligible members in deferred retirement status may participate in county health plans as retirees, so long as they begin receiving a pension from CCCERA within 24 months of separation from the county.

	Component Units		
	Primary Government	First 5 Contra Costa Children and Families Commission	Housing Authority
Active plan members ¹	8,089	13	76
Retirees and beneficiaries receiving benefits ¹	6,206	1	59

¹As of June 30, 2014

C. County Funding Policy

The contribution requirements for active employees and the county are established and may be amended through negotiations between the county and the respective bargaining units. For the fiscal year ended June 30, 2015, the funding was based on the "pay-go" basis plus a contribution of \$20,040,000 to the Contra Costa County Other Employee Benefit Trust Fund. For fiscal year ended June 30, 2015, the county paid \$57,248,000 as the "pay-go" cost (approximately 80.37% of total premiums).

Plan members receiving benefits contributed \$14,023,000, or approximately 19.68% of the total premiums, through their required contribution. The contributions for fiscal year ended June 30, 2015, were as follows (in thousands):

	Active Employees	Retirees	Total
Total blended premiums at \$11,484 per plan member	\$ 0	71,271	71,271
Employer pre-funding contributions	0	20,040	20,040
Less: member contributions	0	(14,023)	(14,023)
Total Employer Contributions	\$ 0	77,288	77,288

D. Annual OPEB Cost and Net OPEB Obligation

The county's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The county charges current costs of these benefits to the employee's department. The county has determined that the future liability is an obligation of the general government. The county records the accrued liability and expense in the general government classification of the Government-wide Statement of Net Position and Statement of Activities. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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The following table shows the components of the county's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the county's net OPEB obligation (dollar amounts in thousands):

	Primary Government	Component Units	
		First 5 Contra Costa Children and Families Commission	Housing Authority
Annual required contribution	\$ 88,538	25	375
Interest on net OPEB obligation	28,063	(8)	91
Adjustment to annual required contribution	(36,845)	9	(87)
Annual OPEB cost (expense)	79,756	26	379
Contributions made	(77,288)	(25)	(260)
Increase in net OPEB obligation	2,468	1	119
Net OPEB obligation (asset), beginning of year	492,327	(111)	2,276
Net OPEB obligation (asset), end of year	\$ 494,795	(110)	2,395

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2015, and the preceding fiscal years, were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/15	\$ 79,756	96.9 %	\$ 494,795
06/30/14	80,575	95.1	492,327
06/30/13	93,780	82.0	488,397

Refer to the Required Supplemental Information for the schedule of funding progress.

E. Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$923,848,000 of which \$129,426,000 is funded. The covered payroll for fiscal year 2014-2015 (annual payroll of active employees covered by the plan) was \$649,770,000, and the ratio of the unfunded accrued actuarial liability (UAAL) to the covered payroll was 122.26%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past exceptions and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used

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include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 5.70% discount rate. This rate was derived based on the fund's investment policy for a partially funded plan. A 6.25% annual return is assumed on the Trust's assets, and a 3.50% discount rate is assumed for liabilities expected to be funded directly by the county. This resulted in a blended discount rate of 5.70%. Overall health costs of the medical benefits will increase according to the health cost inflation trend derived by using the "Getzen" model developed by the Society of Actuaries. Under the Patient Protection and Affordable Care Act of 2010, a Federal excise tax will apply for high cost health benefits beginning in 2018. A margin to reflect the impact of the excise tax in future years is reflected in the assumed trend. The UAAL is being amortized as a level dollar amount over 30 years on a closed basis. The remaining amortization period is twenty-three years.

The county began pre-funding benefits at a rate of \$20 million-per year in fiscal year ended June 30, 2009. The Board has budgeted \$19,440,000 to pre-fund the OPEB liability in fiscal year ending June 30, 2015. Until January 1, 2015, CCCERA personnel were employees of the county. Their OPEB obligation is included with the county's data.

G. First 5 Contra Costa Children and Families Commission

First 5 Contra Costa Children and Families Commission is a discretely presented component unit. Its personnel are covered by a separate OPEB plan administered by First 5 Contra Costa Children and Families Commission.

First 5 Contra Costa Children and Families Commission's annual OPEB cost and net OPEB obligation for the fiscal year ended June 30, 2015, and the preceding years, were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
06/30/15	\$ 27	93.0 %	\$ (110)
06/30/14	25	93.0	(111)
06/30/13	59	937.0	(113)
06/30/12	78	0.0	381
06/30/11	93	0.0	303
06/30/10	90	0.0	210
06/30/09	89	0.0	120
06/30/08	31	0.0	31

First 5 Contra Costa Children and Families Commission does not issue a separate audit report on its Other Postemployment Benefit Plan.

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H. Housing Authority of the County of Contra Costa

The Housing Authority of the County of Contra Costa is a discretely presented component unit. Its personnel are covered by a separate OPEB plan administered by the Housing Authority. Housing Authority's annual OPEB cost and net OPEB obligation for the fiscal year ended March 31, 2015, and the preceding fiscal years, were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
03/31/15	\$ 379	68.6 %	\$ 2,395
03/31/14	420	69.5	2,276
03/31/13	413	67.2	2,148
03/31/12	433	58.2	2,013
03/31/11	414	60.0	1,832
# 03/31/10	953	23.0	1,665
03/31/09	863	24.6	931
03/31/08	1,305	79.0	281

Revised by Housing Authority report, fiscal year ended March 31, 2010

The Housing Authority does not issue a separate audit report on its Other Postemployment Benefit Plan.

16. PATIENT SERVICE REVENUE AND RECEIVABLES

The County Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. Charges for services are reported at estimated net realizable amounts from patients, third-party payers and others for services rendered and include estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, or investigations.

Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The County Hospital's Medicare and Medi-Cal cost reports have been audited by the fiscal intermediary through June 30, 2012, and June 30, 2011, respectively. As such, the cost reports for the prior year are still under review by fiscal intermediaries and have not been settled due to certain unresolved reimbursement issues. As of June 30, 2015, the county reported \$105,791,000 as other noncurrent liabilities, which primarily represents reserves for supplemental payments received and settlement liabilities related to cost reports. The county believes it has adequately provided for any liabilities that may arise from the fiscal intermediaries' audits.

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Net receivables from patients and third-party payers at June 30, 2015, are summarized as follows (in thousands):

Medicare	\$	3,308
Medi-Cal		23,441
Private insurance		<u>3,954</u>
Total Net Patient Receivables	\$	<u><u>30,703</u></u>

The net receivables from patients and third-party payers exclude non-patient receivables of approximately \$51,050,000.

17. RISK MANAGEMENT

Internal Service Funds:

The county is exposed to various risk of loss related to liabilities and damages to the public at-large, as well as damage to, loss of, and destruction of assets and has obligations to provide its employees with negotiated and mandated benefits.

The county self-insures its employee dental, state unemployment, management long-term disability, workers' compensation, automotive liability, public liability, and medical liability exposures. The county reports the activities of these exposures through its internal service funds.

With respect to the workers' compensation, automotive liability, public liability and medical liability exposures, the county purchases insurance for the following:

- Workers' Compensation in excess of \$750,000 per incident, with excess coverage provided through the CSAC-EIA (California State Association of Counties Excess Insurance Pooling Fund).
- General and auto liability in excess of \$1 million per incident, to a limit of \$50 million.
- Medical malpractice in excess of \$1 million per incident, to a limit of \$21.5 million above to \$1 million.

The county is self-insured for most insurable risk, except for insurance coverage provided by commercial insurance and reinsurance companies that are subject to the following:

- Airports liability and property damage coverage to a limit of \$100 million with no deductible.
- Property insurance - all risk in excess of \$50,000 per incident, to a limit of \$600 million from loss by fire, lightning, and other perils.
- Property insurance - flood damage in excess of 2% per unit, \$100,000 minimum and \$500,000 maximum deductible per incident, to a limit of \$490 million shared aggregate.
- Property insurance - earthquake in excess of 5% per unit, \$100,000 minimum, to a limit of \$690 million shared aggregate.

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- Property insurance - terrorism to a limit of \$200 million with a \$500,000 deductible.
- Crime bond coverage in excess of \$100,000 per incident, to a limit of \$20 million for fidelity coverage, computer, and funds transfer fraud.
- Watercraft liability to a limit of \$50 million.
- Sheriff's helicopters to a limit of \$50 million per incident.
- Boiler and machinery to a limit of \$100 million with a \$5,000 deductible.

During the past four years, there have been no instances of the amount of claim settlements exceeding insurance coverage and there has not been a significant reduction in coverage in fiscal year 2014-2015.

Internal service funds are used to account for the county's self-insurance activities. The county's policy is to provide in each fiscal year, by charges to affected operating funds, amounts sufficient to cover the estimated expenditures for self-insured claims and the cost of insurance. Charges to operating funds are recorded as expenditures/expenses of such funds and revenues of the internal service funds. Accrual and payment of claims are recorded in the internal service funds.

The county has accrued a liability of \$173,539,000 at June 30, 2015, for all self-insured claims in the internal service funds. The self-insurance reserve is based on actuarially determined amounts for workers' compensation, public and automobile liability, and medical liability and based on management's estimates for all other reserves. The actuarially determined claims liabilities, including incurred but not reported claims are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that modify past experience. It also includes incremental claim adjustment expenses. In addition, estimated recoveries on settled and unsettled claims were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims.

Health Plans:

The county administers 2 health plans: HMO Medi-Cal and HMO Commercial Plans (Plans); which are reported as enterprise funds. The Plans have fee-for-service arrangements in which providers, including the County Hospital, bill for individual services provided to enrollees. These arrangements result in claim submission by providers subsequent to services being rendered. Claims expenses are presented as part of services and supplies expense in the statement of revenues, expenses, and changes in net position. Estimated liabilities for incurred but not reported claims are presented as part of accounts payable and accrued liabilities in the statement of net position. The provision for claims incurred but not reported claims is developed in-house using principles and assumptions that consider among other things, contractual requirements, historical utilization trends and payment patterns, benefit changes, medical inflation, product mix, seasonality, membership, and other relevant factors.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

Changes in claims liabilities:

Changes to the liability amount for fiscal years 2013-2014 and 2014-2015 are as follows (in thousands):

	Internal Service Funds	HMO Medi-Cal Plan Enterprise Fund
Liability at June 30, 2013	\$ 160,858	21,556
FY 2013-2014 claims and changes in estimates	51,330	276,984
FY 2013-2014 claim payments	<u>(42,792)</u>	<u>(276,831)</u>
Liability at June 30, 2014	169,396	21,709
FY 2014-2015 claims and changes in estimates	44,767	508,769
FY 2014-2015 claim payments	<u>(40,624)</u>	<u>(486,366)</u>
Liability at June 30, 2015	<u>\$ 173,539</u>	<u>44,112</u>

In the opinion of the county, the amounts accrued are adequate to cover claims incurred but not reported in addition to known claims.

18. COMMITMENTS AND CONTINGENCIES

A. Grants

The county participates in a number of federal and state grant programs which are subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs through June 30, 2015, have not yet been conducted. Accordingly, the county's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The county believes that such disallowances, if any, would not have a material effect on the basic financial statements.

B. Health Insurance

Health care benefits for active and retired employees are jointly financed by the beneficiaries and by the county. Most employees have a choice of participation in five medical plans: Kaiser Permanente, a private health maintenance organization (HMO); Health Net (HMO); Health Net, a preferred provider organization (PPO); and the Contra Costa Health Plans (CCHP) A and B, operated by the county Health Services Department. Employees represented by either the Deputy Sheriffs' Association (DSA), District Attorney Investigators' Association (DAIA), or United Professional Fire Fighters' IAFF Local 1230, United Chief Officers Association, and Unrepresented Fire Managers are eligible to participate in medical plans administered by the California Public Employees' Retirement System (CalPERS).

For non-CalPERS administered medical plans, the county subvents 59.0%-80.0% of Kaiser Permanente, 53.0%-80.0% of Health Net (HMO), 39.8%-54.7% of Health Net (PPO) and 77.9%-98.0% of CCHP A and 72.8%-90.0% of CCHP B premiums for plan members depending on the employees' union representation. The county subvention for CalPERS administered plans is a flat rate depending on the employees' union representation and the number of dependents covered under the plans. All permanent employees have a choice of two dental plans as follows: a county self-funded plan administered by Delta

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

Dental and a PMI Delta Care Plan. The county's self-funded plan is an indemnity program and the PMI Delta Care plan is a prepaid program.

The county's contribution to health and dental plans during fiscal year 2014-2015 for active employees was \$90,660,000. The county's liability for health care benefits is limited to its annual contribution.

C. Special Assessment Debt

The county is considered to be "obligated in some manner," as defined by GASB Statement No. 6, *Accounting and Financial Reporting for Special Assessments*, for its special assessment debt. The county is obligated to foreclose on properties for which owners have failed to pay assessment installments as they fall due and the county may honor deficiencies to the extent that lien foreclosure proceeds are insufficient. The county's obligation to advance monies to pay debt service in the event of delinquent assessment installments is limited to the amount of remaining original bond proceeds and installments received. Special assessment debt is included in the county's statement of net position and special assessment transactions are included in the Assessment Districts Debt Service Fund. Debt service payments are made from special assessments of the related special assessment district.

D. Construction Commitments

The county had entered into commitments for construction of certain projects. At June 30, 2015, there were outstanding commitments of \$5,207,000 for the replacement bridge on Orwood Road, \$4,959,000 for the renovations and remodeling of the Finance Building, \$1,833,000 for R-REP Solar Photovoltaic Installations, and \$1,071,000 for the safety improvement of Marsh Creek Road.

E. Pending Legal Matters

Numerous lawsuits are pending or threatened against the county. The county has recorded actuarially determined reserves in the internal service funds to adequately cover estimated potential material adverse losses at June 30, 2015.

19. SUBSEQUENT EVENT

A. 2015 Lease Revenue Bonds Series A and B

On August 25, 2015, the County of Contra Costa Public Financing Authority (PFA) closed its 2015 Lease Revenue Bond issuance in a par amount of \$71,115,000. It is composed of \$19,055,000 of 2015 Series A and \$52,060,000 of 2015 Series B refunding bonds.

The 2015 Series A bonds were issued to fund two new capital projects: i) Solar Photovoltaic Panels on canopies at six locations throughout the County, and; ii) Construction of a Behavioral Health and Medical Clinic adjacent to the current West County Health Clinic. The 2015 Series A bonds have a final maturity date of June 1, 2035, with annual coupons ranging from 3% to 5%.

The 2015 Series B bonds were issued to fund a current refunding of the PFA's 1999 Series A, 2002 Series A, 2002 Series B, and 2003 Series A Lease Revenue Bonds. In addition, 2015 Series B proceeds funded an advance refunding of a portion of the PFA's 2007 Series A Lease Revenue Bonds. The 2015 Series B bonds have a final maturity date of June 1, 2028, with annual coupons ranging from 3% to 5%. The PFA

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

realized a net present value (NPV) savings of \$4,577,000, or 8.17%, from the issuance of the 2015 Series B refunding bonds.

B. Medicaid Demonstration Project Renewal

On October 31, 2015, Department of Health Care Services and the Centers for Medicare & Medicaid Services announced a conceptual agreement that outlines the major components of California's 1115 Medicaid waiver renewal, along with a temporary extension to December 31, 2015, of the existing waiver while the details of the renewal are determined through the official Special Terms and Conditions. The conceptual agreement includes the following core elements:

- Global Payment Program – for services to the uninsured in designated public hospital systems;
- Public Hospital Redesign and Incentives in Medi-Cal (PRIME) – delivery system transformation and alignment incentive program for designated public hospitals and district/municipal hospitals;
- Dental transformation incentive program;
- Whole Person Care pilot program – a county-based, voluntary program to target providing more integrated care for high-risk, vulnerable populations;
- Independent assessment of access to care and network adequacy for Medi-Cal managed care beneficiaries;
- Independent studies of uncompensated care and hospital financing.

In addition, the waiver extension and renewal will continue certain programs currently authorized in Bridge to Reform waiver, including the Drug Medi-Cal Organized Delivery System, Coordinated Care Initiative, and Community-Based Adult Services. The financial impact of the California's 1115 Medicaid waiver renewal in future years is not yet known.



REQUIRED SUPPLEMENTARY INFORMATION (Other than MD&A)

COUNTY OF CONTRA COSTA
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
CURRENT AND TWO YEARS AGO
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued (Asset)/Liability	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
Primary Government						
Jan. 1, 2014	\$ 129,426	\$ 923,848	\$ 794,422	14.00 %	\$ 649,770	122.26 %
Jan. 1, 2012	65,491	1,033,801	968,310	6.33	595,245	162.67
Jan. 1, 2010	61,720	1,077,734	1,016,014	5.73	599,734	169.41
First 5 Contra Costa Children and Families Commission						
June 30, 2013	561	553	(8)	101.00	1,138	(0.69)
July 1, 2011		537	537	0.00	1,121	47.90
July 1, 2008		359	359	0.00	1,125	31.90
Housing Authority						
Apr. 1, 2014		5,017	5,017	0.00	4,750	105.61
Apr. 1, 2012		5,105	5,105	0.00	5,057	100.95
July 1, 2010		8,237	8,237	0.00	5,134	160.44

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

CURRENT YEAR
(In Thousands)

	Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
County	2015	67.52 %	\$ 807,350	599,275	134.72 %	86.21 %
CCCFPD	2015	9.72	116,263	39,759	292.42	86.85
IHSS	2015	0.09	1,040	607	171.33	79.57
TOTAL 2015		77.33 %	\$ 924,653	639,641	598.47 %	
First 5 Contra Costa Children and Families Commission	2015	0.14 %	\$ 1,683	1,735 ¹	97.01 %	85.25 %

¹Covers period January 1, 2014, through December 31, 2014.

SCHEDULE OF CONTRIBUTIONS

CURRENT YEAR
(In Thousands)

	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution [#]	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
County	\$ 215,795	215,795		599,275	36.01 %
CCCFPD	17,825	17,825		39,759	44.83
IHSS	244	244		607	40.20
TOTAL 2015	\$ 233,864	233,864		639,641	
First 5 Contra Costa Children and Families Commission	\$ 595	595		1,852	32.11 %

[#]The county prepays an annual contribution in July and CCCERA recognizes the payment over the course of the fiscal year.

COUNTY OF CONTRA COSTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 312,017	312,017	336,787	24,770
Licenses, permits and franchise fees	11,314	11,328	13,623	2,295
Fines, forfeitures and penalties	26,691	26,926	27,944	1,018
Use of money and property	2,146	2,164	3,821	1,657
Intergovernmental	531,967	543,835	516,511	(27,324)
Charges for services	223,519	221,756	220,196	(1,560)
Other revenue	247,805	253,196	245,487	(7,709)
Total revenues	1,355,459	1,371,222	1,364,369	(6,853)
Expenditures:				
Current:				
General government:				
Administrator	16,011	16,003	11,121	4,882
Assessment Litigation Services		283	283	
Assessor	16,284	15,101	14,927	174
Auditor-Controller	8,976	8,976	7,868	1,108
Board Mitigation Programs	2,143	2,143	223	1,920
Board of Supervisors	6,075	5,925	5,412	513
Building Maintenance	43,316	45,089	44,320	769
Building Occupancy Cost	14,165	14,134	13,269	865
Central Service/Microfilm	757	860	560	300
Clerk of the Board	1,076	1,076	653	423
County Counsel	6,035	6,035	5,037	998
County-State-WCCHCD IGT		4,000	4,000	
Crockett-Rodeo Revenues	636	636	496	140
Economic Development	29	829	777	52
Elections	10,108	10,115	8,756	1,359
Employee Benefits	12,815	12,815	2,643	10,172
Facility Life Cycle Improvement Program	26,560	26,560	2,242	24,318
Fleet Services	379	306		306
General Services Outside Agency Service	1,008	1,008	728	280
Human Resources	10,422	10,462	7,746	2,716
Information Technology	4,258	6,520	5,592	928
Insurance	9,446	8,870	7,697	1,173
Keller Canyon Mitigation	1,629	1,629	1,166	463
Management Information Systems	1,648	1,648	306	1,342
Personnel Merit Board	88	88	64	24
Plant Acquisition	15,001	23,843	6,821	17,022
Purchasing	775	890	873	17
Telecommunications	3,990	4,608	4,589	19
Treasurer-Tax Collector	4,707	4,707	4,694	13
UAAL Pension Bond Debt Service Transfer	(2,403)	(2,403)	(2,403)	
Total general government	215,934	232,756	160,460	72,296

(continued)

COUNTY OF CONTRA COSTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public protection:				
Agriculture	5,792	5,792	5,544	248
Animal Services	10,921	10,914	10,477	437
Child Support Services		91	91	
Conflict Defense Services	4,500	4,500	3,759	741
Coroner	2,827	2,831	2,828	3
Criminal Grand Jury	70	61	61	
District Attorney	39,199	40,608	34,959	5,649
Emergency Services	8,377	8,555	6,582	1,973
Flood Control	740	740	561	179
Grand Jury	146	189	188	1
Jail	79,111	80,419	67,985	12,434
Jail - Health Services	22,728	22,061	22,051	10
Law and Justice Systems	6,535	6,535	1,132	5,403
Local Agency Information	195	203	203	
Probation - Programs	34,709	35,063	29,783	5,280
Probation - Facilities	26,873	26,593	26,236	357
Probation - Care of Court Ward	9,002	12,493	12,492	1
Public Administrator	308	320	320	
Public Defender	20,105	20,884	20,884	
Recorder	4,391	4,391	3,487	904
Sheriff	135,987	136,267	135,223	1,044
Trial Court Programs	17,743	17,845	17,818	27
Vehicle Theft Programs	1,758	1,758	931	827
UAAL Pension Bond Debt Service Transfer	(14,273)	(14,273)	(14,273)	
Total public protection	417,744	424,840	389,322	35,518
Health and sanitation:				
Children's Services	9,545	9,424	9,005	419
Conservator/Guardianship	3,164	2,924	2,873	51
Environmental Health	20,824	18,109	17,869	240
Health Services Homeless Program	3,753	4,798	4,754	44
Mental Health	166,165	173,393	173,364	29
Public Health	42,481	43,986	43,741	245
Solid Waste Management	367	381	380	1
Substance Abuse	13,117	14,401	14,383	18
UAAL Pension Bond Debt Service Transfer	(3,838)	(3,838)	(3,838)	
Total health and sanitation	255,578	263,578	262,531	1,047

(continued)

COUNTY OF CONTRA COSTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public assistance:				
Ann Adler Child & Family	80	80	60	20
Cal Health Benefit Marketplace	18,274	18,274	8,498	9,776
Community Development	10,498	10,497	5,188	5,309
Community Services	46,012	46,312	35,227	11,085
Housing Rehabilitation	324	324	297	27
EHSD - Administration	5,971	6,238	5,813	425
EHSD - Children and Family	96,435	95,457	92,652	2,805
EHSD - Aging & Adult	50,710	52,735	52,593	142
EHSD - Workforce Services	205,112	209,163	203,532	5,631
EHSD - WFRC Investment Board	9,250	9,250	8,907	343
Services Integration	135	135	28	107
Veterans Services	918	918	889	29
Zero Tolerance Domestic Violence Initiative	2,099	2,149	2,066	83
UAAL Pension Bond Debt Service Transfer	(5,447)	(5,447)	(5,447)	
Total public assistance	440,371	446,085	410,303	35,782
Public ways and facilities:				
Public Works	38,639	39,214	33,093	6,121
Road Construction	11,353	11,353	2,978	8,375
UAAL Pension Bond Debt Service Transfer	(929)	(929)	(929)	
Total public ways and facilities	49,063	49,638	35,142	14,496
Debt service:				
Principal	89	89	89	
Interest	41	41	41	
Total debt service	130	130	130	
Total expenditures	1,378,820	1,417,027	1,257,888	159,139
Excess (deficiency) of revenues over (under) expenditures	(23,361)	(45,805)	106,481	152,286
Other Financing Sources (Uses):				
Transfers in	887	888	317	(571)
Transfers out	(31,535)	(24,912)	(51,673)	(26,761)
Capital lease financing			3,008	3,008
Total other financing sources (uses)	(30,648)	(24,024)	(48,348)	(24,324)
Net change in fund balances	(54,009)	(69,829)	58,133	127,962
Fund Balance at Beginning of Year	237,204	237,204	237,204	
Fund Balance at End of Year	\$ 183,195	167,375	295,337	127,962

(concluded)

See note to required supplementary information

COUNTY OF CONTRA COSTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CCC FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 87,476	91,531	96,149	4,618
Use of money and property	11	11	14	3
Intergovernmental	7,463	7,463	5,010	(2,453)
Charges for services	5,873	5,873	6,070	197
Other revenue	168	315	317	2
Total revenues	100,991	105,193	107,560	2,367
Expenditures:				
Current:				
Public protection				
Salaries and benefits	78,336	78,266	77,851	415
Services and supplies	8,744	12,297	7,955	4,342
Other charges	11,696	12,798	12,798	
Capital assets	4,933	4,766	1,388	3,378
Expenditure transfers	12,731	12,731	12,731	
Total expenditures	116,440	120,858	112,723	8,135
Excess (deficiency) of revenues over Deficiency of revenues under expenditures	(15,449)	(15,665)	(5,163)	10,502
Other Financing Sources (Uses):				
Transfers in	2,613	2,613	20	(2,593)
Transfers out	(5,224)	(5,224)		5,224
Capital lease financing			9,090	9,090
Total other financing sources (uses)	(2,611)	(2,611)	9,110	11,721
Net change in fund balance	(18,060)	(18,276)	3,947	22,223
Fund Balance at Beginning of the Year	30,500	30,500	30,500	
Fund Balance at End of Year	\$ 12,440	12,224	34,447	22,223

See note to required supplementary information

COUNTY OF CONTRA COSTA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2015

BUDGETS AND BUDGETARY ACCOUNTING

In accordance with the provisions of the California Government Code Sections 29000-29145 and other statutory provisions, commonly known as the County Budget Act, the Board of Supervisors legally adopts a budget for each fiscal year. Budgets are adopted on the modified accrual basis. Prior to June 30 the County Administrator develops, recommends and the Board of Supervisors adopts a recommended budget for the next fiscal year. This is based on preliminary data because the county's books have not yet been closed, ending fund balances have not been established, and the state has not yet adopted its budget. Later, after a series of public hearings the Board of Supervisors adopts a formal budget on or before October 2. This budget establishes the maximum authorized expenditures for the fiscal year that cannot be exceeded except by subsequent amendments to the budget by the Board of Supervisors and is reported in the budgetary comparison schedule as the "Original Budget."

Supplemental appropriations, which are normally financed by unanticipated revenues during the year, and any amendments or transfers of appropriations between summary accounts or departments must be approved by the Board of Supervisors. Pursuant to a Board of Supervisors Resolution, the County Administrator is authorized to approve transfers of appropriations among summary accounts within a department as deemed necessary and appropriate. Accordingly, the legal level of budgetary control by the Board of Supervisors is at the department level. Budgeted amounts amended during the fiscal year by the County Administrator and, when necessary, by resolution of the Board of Supervisors are reported in the budgetary comparison schedule as the "Final Budget."

The objective of the county's budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Supervisors. No department is permitted to spend and/or encumber more than its available appropriations. Increases in budget appropriations must be approved by the Board of Supervisors as a transfer from the Reserve for Contingencies, as a transfer from another appropriation, or as an appropriation of new or unanticipated revenue. Using the county's automated accounting system, staff of the Auditor-Controller monitors the expenditures of each department to ensure that the departments don't exceed the amounts appropriated by the Board of Supervisors for the year. The county uses an encumbrance system as an extension of normal budgetary accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to encumber that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed, and assigned fund balance, as appropriate, since they do not constitute expenditures or liabilities and are re-established, along with their encumbered appropriations as part of the following year's budget. Any appropriations remaining in the departments at the end of the fiscal year automatically lapse and are transferred to unassigned fund balance. The year-end fund balance, along with projected revenues, becomes available for appropriation the following year.

The amounts reported as expenditures by department include amounts charged to each department to service the pension obligation bond debt and the liability for the Retirement Litigation Settlement because the budget includes these amounts as expenditures. "UAAL Pension Bond Debt Service Transfer" and "Retirement Litigation Settlement Transfer" are reporting adjustments made at the function level to achieve agreement with the financial statements where these expenditures are reported as transfers in accordance with GASB.



**COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY
SCHEDULES**

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015
 (In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund	Total
Assets:					
Cash and investments	\$ 448,760	25,585	720	126	475,191
Accounts receivable and accrued revenue	30,975	3,090			34,065
Due from other funds	4,489	230			4,719
Notes receivable	18,211				18,211
Prepaid items and deposits	1,357				1,357
Land held for resale	9,021				9,021
Restricted cash and investments	7,670	15,464	26	1,729	24,889
Total assets	\$ 520,483	44,369	746	1,855	567,453
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 15,153	3,114	1		18,268
Due to other funds	95,534	326		44	95,904
Unearned revenue	2,865	60			2,925
Total liabilities	113,552	3,500	1	44	117,097
Deferred Inflows of Resources:					
Unavailable revenue	18,401				18,401
Total deferred inflows of resources	18,401				18,401
Fund Balances:					
Nonspendable	1,356			1,729	3,085
Restricted	353,492	40,869	745	82	395,188
Committed	342				342
Assigned	33,340				33,340
Total fund balances	388,530	40,869	745	1,811	431,955
Total liabilities, deferred inflows of resources, and fund balances	\$ 520,483	44,369	746	1,855	567,453

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund	Total
Revenues:					
Taxes	\$ 70,144	12,976	1		83,121
Licenses, permits and franchise fees	15,576				15,576
Fines, forfeitures and penalties	6,419				6,419
Use of money and property	1,368	27,767		30	29,165
Intergovernmental	251,728				251,728
Charges for services	54,679				54,679
Other revenue	27,006	18,861			45,867
Total revenues	<u>426,920</u>	<u>59,604</u>	<u>1</u>	<u>30</u>	<u>486,555</u>
Expenditures:					
Current:					
General government	3,675	5			3,680
Public protection	154,428				154,428
Health and sanitation	42,382				42,382
Public assistance	116,799	11,694			128,493
Education	24,773				24,773
Public ways and facilities	61,883				61,883
Recreation and culture	1,736				1,736
Debt service:					
Principal		45,034			45,034
Interest	10	36,251			36,261
Total expenditures	<u>405,686</u>	<u>92,984</u>			<u>498,670</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,234</u>	<u>(33,380)</u>	<u>1</u>	<u>30</u>	<u>(12,115)</u>
Other Financing Sources (Uses):					
Transfers in	8,312	39,483			47,795
Transfers out	(9,046)	(899)		(44)	(9,989)
Capital lease financing	193				193
Total other financing sources (uses)	<u>(541)</u>	<u>38,584</u>		<u>(44)</u>	<u>37,999</u>
Net change in fund balances	20,693	5,204	1	(14)	25,884
Fund Balances at Beginning of Year	<u>367,837</u>	<u>35,665</u>	<u>744</u>	<u>1,825</u>	<u>406,071</u>
Fund Balances at End of Year	<u>\$ 388,530</u>	<u>40,869</u>	<u>745</u>	<u>1,811</u>	<u>431,955</u>



Nonmajor Special Revenue Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action to expenditures for specified purposes. Nonmajor special revenue funds used by the county are listed below:

ROAD FUND

This fund is used to account for maintenance and construction of roadways. Revenues consist primarily of the county's share of state highway user taxes and are supplemented by federal funds.

LIBRARY FUND

This fund is used to account for library services for all areas of the county except the city of Richmond. Property taxes provide most of the fund's revenues.

LOW & MODERATE INCOME HOUSING ASSETS

This fund is used to account for housing assets in accordance with the Community Development Law.

OTHER FIRE PROTECTION FUND

This fund is used to account for the Crockett-Carquinez Fire Protection District fire protection services in the county. The fund is financed primarily by property taxes.

HEALTH AND SANITATION FUND

This fund is used to account for a variety of health and sanitation services. The fund is financed by state grants, the county's share of the tobacco tax, and user fees.

LAND DEVELOPMENT FUND

This fund reports the growth management related activities of the Public Works Department and the Department of Conservation and Development.

SERVICE AREAS FUND

This fund is used to account for the provision of services such as lighting, park, or street maintenance by special districts to specific areas in the county. The fund is financed by property taxes and user charges.

FLOOD CONTROL FUND

This fund is used to account for the provision of services by special districts to control flood and storm waters. Revenues are primarily received from property taxes and federal grants.

LAW ENFORCEMENT FUND

This fund is used to account for a variety of law enforcement services financed by property taxes, narcotics seizures, and court fines and fees.

COURTS AND CRIMINAL JUSTICE FUND

This fund is used to account for the improvement of courthouse and criminal justice facilities and related automated information systems. Revenues are derived from court fines and fees.

RECORDER/CLERK MODERNIZATION FUND

This fund is used to account for automation of civil and small claims functions of the courts and for micrographics and modernization of the Recorder's Office. Revenues received are from filing and recording fees.

CHILD DEVELOPMENT FUND

This fund is used to account for the financial resources designated for the county's child development programs.

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY (IHSS) FUND

This fund is used to account for services to both providers and recipients of in-home care delivered through the In-Home Supportive Services program.

COUNTY LOCAL REVENUE FUND 2011 SPECIAL REVENUE

This fund, as required by AB 118 in the implementation of State's Public Safety Realignment Program, permits the county to receive state realignment funding distributions.

OTHER SPECIAL REVENUE FUND

This fund is used to account for the activities of several non-grant special revenue funds. It includes Fish and Game, Vehicle License Fees (VLF) Securitization, Survey Monuments, Victim Assistance, Sans Crainte Drainage and county water districts.



COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2015
 (In Thousands)

	Road	Library	Low & Moderate Income Housing Assets	Other Fire Protection	Health & Sanitation	Land Development	Service Areas
Assets:							
Cash and investments	\$ 73,152	17,621	198	447	89,447	18,112	29,605
Accounts receivable and accrued revenue	5,288	854		5	4,828	994	231
Due from other funds	831	54			147	950	52
Notes receivable			7,835			2,327	
Prepaid items and deposits		208			8	388	
Land held for resale			9,021				
Restricted cash and investments			7,670				
Total assets	\$ 79,271	18,737	24,724	452	94,430	22,771	29,888
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 1,519	1,555		122	427	1,431	6,739
Due to other funds	2,482	194	2		35,868	538	378
Unearned revenue	2,138		71			240	
Total liabilities	6,139	1,749	73	122	36,295	2,209	7,117
Deferred Inflows of Resources							
Unavailable revenue			7,835			2,517	
Total deferred inflows of resources			7,835			2,517	
Fund Balances:							
Nonspendable		208			8	388	
Restricted	70,350	6,600	16,809	326	58,087	17,044	21,588
Committed							18
Assigned	2,782	10,180	7	4	40	613	1,165
Total fund balances	73,132	16,988	16,816	330	58,135	18,045	22,771
Total liabilities, deferred inflows of resources, and fund balances	\$ 79,271	18,737	24,724	452	94,430	22,771	29,888

Flood Control	Law Enforcement	Courts & Criminal Justice	Recorder/ Clerk Modernization	Child Development	In-Home Supportive Services Public Authority	County Local Revenue Fund 2011	Other Special Revenue	Total
63,796	41,839		8,948	738		60,742	44,115	448,760
1,073	197	387	15	1,486	1,405	11,941	2,271	30,975
198	680	439		846	178		114	4,489
							8,049	18,211
3	3		3	425	2		317	1,357
								9,021
								7,670
<u>65,070</u>	<u>42,719</u>	<u>826</u>	<u>8,966</u>	<u>3,495</u>	<u>1,585</u>	<u>72,683</u>	<u>54,866</u>	<u>520,483</u>
450	253		96	980	73		1,508	15,153
1,634	12,037	826	36	1,700	1,412	33,728	4,699	95,534
				294			122	2,865
<u>2,084</u>	<u>12,290</u>	<u>826</u>	<u>132</u>	<u>2,974</u>	<u>1,485</u>	<u>33,728</u>	<u>6,329</u>	<u>113,552</u>
							8,049	18,401
							8,049	18,401
3	3		3	425	2		316	1,356
60,307	15,947		8,831	93	98	38,955	38,457	353,492
	324							342
<u>2,676</u>	<u>14,155</u>			<u>3</u>			<u>1,715</u>	<u>33,340</u>
<u>62,986</u>	<u>30,429</u>		<u>8,834</u>	<u>521</u>	<u>100</u>	<u>38,955</u>	<u>40,488</u>	<u>388,530</u>
<u>65,070</u>	<u>42,719</u>	<u>826</u>	<u>8,966</u>	<u>3,495</u>	<u>1,585</u>	<u>72,683</u>	<u>54,866</u>	<u>520,483</u>

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Road	Library	Low & Moderate Income Housing Assets	Other Fire Protection	Health & Sanitation	Land Development	Service Areas
Revenues:							
Taxes	\$ 16,632	23,013		442	4,704		6,668
Licenses, permits and franchise fees	506					14,251	10
Fines, forfeitures and penalties					2,212	24	
Use of money and property	171	120	5		240	45	496
Intergovernmental	22,385	2,796		70	39,313	101	170
Charges for services	9,487	741		15	92	7,897	13,538
Other revenue	7,386	935	2	77		6,080	242
Total revenues	56,567	27,605	7	604	46,561	28,398	21,124
Expenditures:							
Current:							
General government							
Public protection				914		22,899	18,542
Health and sanitation					42,382		
Public assistance			232			313	
Education		24,561					212
Public ways and facilities	58,454					2,621	768
Recreation and culture							1,736
Debt service:							
Interest							
Total expenditures	58,454	24,561	232	914	42,382	25,833	21,258
Excess (deficiency) of revenues over (under) expenditures	(1,887)	3,044	(225)	(310)	4,179	2,565	(134)
Other Financing Sources (Uses):							
Transfers in	636	44			147	343	3
Transfers out	(6)	(498)			(185)	(576)	
Capital lease financing							
Total other financing sources (uses)	630	(454)			(38)	(233)	3
Net change in fund balances	(1,257)	2,590	(225)	(310)	4,141	2,332	(131)
Fund Balances at Beginning of Year	74,389	14,398	17,041	640	53,994	15,713	22,902
Fund Balances at End of Year	\$ 73,132	16,988	16,816	330	58,135	18,045	22,771

Flood Control	Law Enforcement	Courts & Criminal Justice	Recorder/ Clerk Modernization	Child Development	In-Home Supportive Services Public Authority	County Local Revenue Fund 2011	Other Special Revenue	Total
9,866	8,273						546	70,144
693							116	15,576
	1,859	2,288					36	6,419
123	21	1					146	1,368
1,114	2,175			15,843	1,833	142,147	23,781	251,728
17,076	1,449		1,900				2,484	54,679
3,068	323			6,966	181	21	1,725	27,006
<u>31,940</u>	<u>14,100</u>	<u>2,289</u>	<u>1,900</u>	<u>22,809</u>	<u>2,014</u>	<u>142,168</u>	<u>28,834</u>	<u>426,920</u>
	109	2,613					953	3,675
28,034	19,462		1,904			38,483	24,190	154,428
				22,677	2,014	88,563	3,000	42,382
							40	116,799
								24,773
								61,883
								1,736
		2					8	10
<u>28,034</u>	<u>19,571</u>	<u>2,615</u>	<u>1,904</u>	<u>22,677</u>	<u>2,014</u>	<u>127,046</u>	<u>28,191</u>	<u>405,686</u>
3,906	(5,471)	(326)	(4)	132		15,122	643	21,234
(16)	6,700	439	(26)	(164)		(6,573)	(905)	8,312
	(97)						193	(9,046)
								193
(16)	6,603	439	(26)	(164)		(6,573)	(712)	(541)
3,890	1,132	113	(30)	(32)		8,549	(69)	20,693
59,096	29,297	(113)	8,864	553	100	30,406	40,557	367,837
<u>62,986</u>	<u>30,429</u>		<u>8,834</u>	<u>521</u>	<u>100</u>	<u>38,955</u>	<u>40,488</u>	<u>388,530</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
ROAD SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$		16,632	16,632
Licenses, Permits	540	540	506	(34)
Use of money and property	359	359	171	(188)
Intergovernmental	40,234	45,156	22,385	(22,771)
Charges for services	4,965	6,746	9,487	2,741
Other revenue	8,110	8,864	7,386	(1,478)
Total revenues	<u>54,208</u>	<u>61,665</u>	<u>56,567</u>	<u>(5,098)</u>
Expenditures:				
Public ways and facilities				
Services and supplies	43,549	43,755	20,477	23,278
Other charges	3,892	10,055	9,431	624
Capital assets	913	913	348	565
Expenditure transfers	28,799	32,219	28,198	4,021
Total public ways and facilities	<u>77,153</u>	<u>86,942</u>	<u>58,454</u>	<u>28,488</u>
Total expenditures	<u>77,153</u>	<u>86,942</u>	<u>58,454</u>	<u>28,488</u>
Deficiency of revenues under expenditures	<u>(22,945)</u>	<u>(25,277)</u>	<u>(1,887)</u>	<u>23,390</u>
Other Financing Sources (Uses):				
Transfers in			636	636
Transfers out			(6)	(6)
Total other financing sources (uses)			<u>630</u>	<u>630</u>
Net change in fund balance	(22,945)	(25,277)	(1,257)	24,020
Fund Balance at Beginning of Year	<u>74,389</u>	<u>74,389</u>	<u>74,389</u>	
Fund Balance at End of Year	<u>\$ 51,444</u>	<u>49,112</u>	<u>73,132</u>	<u>24,020</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LIBRARY SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 21,116	21,116	23,013	1,897
Use of money and property	157	157	120	(37)
Intergovernmental	2,890	2,890	2,796	(94)
Charges for services	805	805	741	(64)
Other revenue	249	249	935	686
Total revenues	<u>25,217</u>	<u>25,217</u>	<u>27,605</u>	<u>2,388</u>
Expenditures:				
General government				
Capital assets	676	676		676
Total general government	<u>676</u>	<u>676</u>		<u>676</u>
Education				
Salaries and benefits	20,122	19,392	17,988	1,404
Services and supplies	5,628	6,383	4,573	1,810
Other charges	2,499	2,494	1,947	547
Capital assets	263	238	9	229
Expenditure transfers	56	56	44	12
Total education	<u>28,568</u>	<u>28,563</u>	<u>24,561</u>	<u>4,002</u>
Total expenditures	<u>29,244</u>	<u>29,239</u>	<u>24,561</u>	<u>4,678</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,027)</u>	<u>(4,022)</u>	<u>3,044</u>	<u>7,066</u>
Other Financing Sources (Uses):				
Transfers in	41	41	44	3
Transfers out			(498)	(498)
Total other financing sources (uses)	<u>41</u>	<u>41</u>	<u>(454)</u>	<u>(495)</u>
Net change in fund balance	<u>(3,986)</u>	<u>(3,981)</u>	<u>2,590</u>	<u>6,571</u>
Fund Balance at Beginning of Year	<u>14,398</u>	<u>14,398</u>	<u>14,398</u>	
Fund Balance at End of Year	<u>\$ 10,412</u>	<u>10,417</u>	<u>16,988</u>	<u>6,571</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LOW & MODERATE INCOME HOUSING ASSETS SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$	6	5	(1)
Other revenue			2	2
Total revenues		<u>6</u>	<u>7</u>	<u>1</u>
Expenditures:				
Public assistance				
Services and supplies		201	201	
Other charges		13	13	
Expenditure transfers		<u>18</u>	<u>18</u>	
Total public assistance		<u>232</u>	<u>232</u>	
Total expenditures		<u>232</u>	<u>232</u>	
Deficiency of revenues under expenditures		<u>(226)</u>	<u>(225)</u>	<u>1</u>
Net change in fund balance		<u>(226)</u>	<u>(225)</u>	<u>1</u>
Fund Balance at Beginning of Year		<u>17,041</u>	<u>17,041</u>	
Fund Balance at End of Year	\$	<u><u>17,041</u></u>	<u><u>16,816</u></u>	<u><u>1</u></u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
OTHER FIRE PROTECTION SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 381	381	442	61
Intergovernmental	4	4	70	66
Charges for services	7	7	15	8
Other revenue	10	10	77	67
Total revenues	<u>402</u>	<u>402</u>	<u>604</u>	<u>202</u>
Expenditures:				
Public protection				
Salaries and benefits	215	215	165	50
Services and supplies	768	268	150	118
Other charges	127	127	121	6
Capital assets		500	478	22
Total public protection	<u>1,110</u>	<u>1,110</u>	<u>914</u>	<u>196</u>
Total expenditures	<u>1,110</u>	<u>1,110</u>	<u>914</u>	<u>196</u>
Deficiency of revenues under expenditures	<u>(708)</u>	<u>(708)</u>	<u>(310)</u>	<u>398</u>
Other Financing Sources:				
Transfers in	68	68		(68)
Total other financing sources	<u>68</u>	<u>68</u>		<u>(68)</u>
Net change in fund balance	<u>(640)</u>	<u>(640)</u>	<u>(310)</u>	<u>330</u>
Fund Balance at Beginning of the Year	<u>640</u>	<u>640</u>	<u>640</u>	
Fund Balance at End of Year	<u>\$</u>	<u></u>	<u>330</u>	<u>330</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEME
HEALTH AND SANITATION SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 4,707	4,707	4,704	(3)
Fines, forfeitures and penalties	2,143	2,143	2,212	69
Use of money and property	273	273	240	(33)
Intergovernmental	32,138	35,278	39,313	4,035
Charges for services	263	263	92	(171)
Total revenues	<u>39,524</u>	<u>42,664</u>	<u>46,561</u>	<u>3,897</u>
Expenditures:				
Current:				
Health and sanitation				
Salaries and benefits	1,281	1,295	1,034	261
Services and supplies	7,971	7,975	3,630	4,345
Other charges	2,327	2,336	2,093	243
Capital assets	50	50		50
Expenditure transfers	32,460	35,625	35,625	
Total health and sanitation	<u>44,089</u>	<u>47,281</u>	<u>42,382</u>	<u>4,899</u>
Total expenditures	<u>44,089</u>	<u>47,281</u>	<u>42,382</u>	<u>4,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,565)</u>	<u>(4,617)</u>	<u>4,179</u>	<u>8,796</u>
Other Financing Sources (Uses):				
Transfers in	64	116	147	31
Transfers out	<u>(456)</u>	<u>(456)</u>	<u>(185)</u>	<u>271</u>
Total other financing sources (uses)	<u>(392)</u>	<u>(340)</u>	<u>(38)</u>	<u>302</u>
Net change in fund balance	<u>(4,957)</u>	<u>(4,957)</u>	<u>4,141</u>	<u>9,098</u>
Fund Balance at Beginning of Year	<u>53,994</u>	<u>53,994</u>	<u>53,994</u>	
Fund Balance at End of Year	<u>\$ 49,037</u>	<u>49,037</u>	<u>58,135</u>	<u>9,098</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LAND DEVELOPMENT SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses, permits and franchise fees	\$ 13,109	13,109	14,251	1,142
Fines, forfeitures and penalties			24	24
Use of money and property	210	210	45	(165)
Intergovernmental	2,097	2,097	101	(1,996)
Charges for services	14,943	14,943	7,897	(7,046)
Other revenue	6,377	6,377	6,080	(297)
Total revenues	36,736	36,736	28,398	(8,338)
Expenditures:				
Public protection				
Salaries and benefits	20,464	20,548	17,212	3,336
Services and supplies	6,085	4,846	3,308	1,538
Other charges	1,665	2,136	2,131	5
Capital assets	414	446	248	198
Expenditure transfers		775		775
Total public protection	28,628	28,751	22,899	5,852
Public assistance				
Services and supplies	2,021	1,951	227	1,724
Other charges	18	18	16	2
Expenditure transfers	226	296	70	226
Total public assistance	2,265	2,265	313	1,952
Public ways and facilities				
Services and supplies	777	752	306	446
Other charges	487	512	58	454
Expenditure transfers	8,136	8,136	2,257	5,879
Total public ways and facilities	9,400	9,400	2,621	6,779
Total expenditures	40,293	40,416	25,833	14,583
Excess (deficiency) of revenues over (under) expenditures	(3,557)	(3,680)	2,565	6,245
Other Financing Sources (Uses):				
Transfers in	279	401	343	(58)
Transfers out	(10)	(10)	(576)	(566)
Total other financing sources (uses)	269	391	(233)	(624)
Net change in fund balance	(3,288)	(3,289)	2,332	5,621
Fund Balance at Beginning of Year	15,713	15,713	15,713	
Fund Balance at End of Year	\$ 12,425	12,424	18,045	5,621

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
SERVICE AREAS SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 5,663	5,839	6,668	829
Licenses, permits and franchise fees	5	5	10	5
Use of money and property	476	476	496	20
Intergovernmental	2,181	2,181	170	(2,011)
Charges for services	11,752	11,755	13,538	1,783
Other revenue	751	815	242	(573)
Total revenues	20,828	21,071	21,124	53
Expenditures:				
Public protection				
Services and supplies	24,411	24,286	15,215	9,071
Other charges	2,477	2,657	2,657	
Expenditure transfers	551	670	670	
Total public protection	27,439	27,613	18,542	9,071
Education				
Other charges	138	138	2	136
Expenditure transfers	210	210	210	
Total education	348	348	212	136
Public ways and facilities				
Services and supplies	5,851	5,870	449	5,421
Other charges	150	154	102	52
Capital assets	418	418	2	416
Expenditure transfers	711	752	215	537
Total public ways and facilities	7,130	7,194	768	6,426
Recreation and culture				
Services and supplies	534	605	420	185
Other charges	1,563	2,275	1,037	1,238
Capital assets	5,101	4,289	37	4,252
Expenditure transfers	287	321	242	79
Total recreation and culture	7,485	7,490	1,736	5,754
Total expenditures	42,402	42,645	21,258	21,387
Deficiency of revenues under expenditures	(21,574)	(21,574)	(134)	21,440
Other Financing Sources (Uses):				
Transfers in	12	12	3	(9)
Transfers out	(29)	(29)		29
Total other financing sources (uses)	(17)	(17)	3	20
Net change in fund balance	(21,591)	(21,591)	(131)	21,460
Fund Balance at Beginning of Year	22,902	22,902	22,902	
Fund Balance at End of Year	\$ 1,311	1,311	22,771	21,460

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
FLOOD CONTROL SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 7,983	8,283	9,866	1,583
Licenses, permits and franchise fees	840	1,140	693	(447)
Use of money and property	155	155	123	(32)
Intergovernmental	620	620	1,114	494
Charges for services	17,105	17,105	17,076	(29)
Other revenue	552	752	3,068	2,316
Total revenues	<u>27,255</u>	<u>28,055</u>	<u>31,940</u>	<u>3,885</u>
Expenditures:				
Current:				
Public protection				
Services and supplies	46,453	47,411	15,239	32,172
Other charges	10,209	10,140	3,482	6,658
Capital assets	400	408	8	400
Expenditure transfers	24,548	24,295	9,305	14,990
Total public protection	<u>81,610</u>	<u>82,254</u>	<u>28,034</u>	<u>54,220</u>
Debt service:				
Principal	1	366		366
Total expenditures	<u>81,611</u>	<u>82,620</u>	<u>28,034</u>	<u>54,586</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(54,356)</u>	<u>(54,565)</u>	<u>3,906</u>	<u>58,471</u>
Other Financing Sources (Uses):				
Transfers in	50	1,850		(1,850)
Transfers out	(4,115)	(5,704)	(16)	5,688
Total other financing sources (uses)	<u>(4,065)</u>	<u>(3,854)</u>	<u>(16)</u>	<u>3,838</u>
Net change in fund balance	(58,421)	(58,419)	3,890	62,309
Fund Balance at Beginning of Year	<u>59,096</u>	<u>59,096</u>	<u>59,096</u>	
Fund Balance at End of Year	<u>\$ 675</u>	<u>677</u>	<u>62,986</u>	<u>62,309</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 7,671	7,716	8,273	557
Fines, forfeitures and penalties	1,782	1,782	1,859	77
Use of money and property	47	47	21	(26)
Intergovernmental	1,996	1,996	2,175	179
Charges for services	1,252	1,252	1,449	197
Other revenue	381	412	323	(89)
Total revenues	13,129	13,205	14,100	895
Expenditures:				
General government				
Services and supplies	(1,128)	372	109	263
Other charges	21	21		21
Expenditure transfers	3,773	2,273		2,273
Total general government	2,666	2,666	109	2,557
Public protection				
Salaries and benefits	1,274	1,749	1,504	245
Services and supplies	19,394	18,392	390	18,002
Other charges	3,495	3,446	2,792	654
Capital assets	364	375	31	344
Expenditure transfers	19,754	20,964	14,745	6,219
Total public protection	44,281	44,926	19,462	25,464
Total expenditures	46,947	47,592	19,571	28,021
Deficiency of revenues under expenditures	(33,818)	(34,387)	(5,471)	28,916
Other Financing Sources (Uses):				
Transfers in	7,904	8,256	6,700	(1,556)
Transfers out	(2,803)	(2,804)	(97)	2,707
Total other financing sources (uses)	5,101	5,452	6,603	1,151
Net change in fund balance	(28,717)	(28,935)	1,132	30,067
Fund Balance at Beginning of Year	29,297	29,297	29,297	
Fund Balance at End of Year	\$ 580	362	30,429	30,067

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COURTS AND CRIMINAL JUSTICE SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, forfeitures and penalties	\$ 2,135	2,220	2,288	68
Use of money and property	(1)	(1)	1	2
Total revenues	<u>2,134</u>	<u>2,219</u>	<u>2,289</u>	<u>70</u>
Expenditures:				
Current:				
General government				
Other charges	2,610	3,260	2,613	647
Total general government	<u>2,610</u>	<u>3,260</u>	<u>2,613</u>	<u>647</u>
Debt service:				
Interest	2	2	2	
Total expenditures	<u>2,612</u>	<u>3,262</u>	<u>2,615</u>	<u>647</u>
Deficiency of revenues under expenditures	<u>(478)</u>	<u>(1,043)</u>	<u>(326)</u>	<u>717</u>
Other Financing Sources (Uses):				
Transfers in	1,042	1,042	439	(603)
Transfers out	(565)			
Total other financing sources (uses)	<u>477</u>	<u>1,042</u>	<u>439</u>	<u>(603)</u>
Net change in fund balance	(1)	(1)	113	114
Fund Balance at Beginning of Year	<u>(113)</u>	<u>(113)</u>	<u>(113)</u>	
Fund Balance at End of Year	<u>\$ (114)</u>	<u>(114)</u>	<u></u>	<u>114</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
RECORDER/CLERK MODERNIZATION SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 2,293	2,293	1,900	(393)
Total revenues	<u>2,293</u>	<u>2,293</u>	<u>1,900</u>	<u>(393)</u>
Expenditures:				
Public protection				
Salaries and benefits	1,162	1,162	804	358
Services and supplies	9,187	9,187	572	8,615
Other charges	506	506	496	10
Capital assets	250	250	32	218
Total public protection	<u>11,105</u>	<u>11,105</u>	<u>1,904</u>	<u>9,201</u>
Total expenditures	<u>11,105</u>	<u>11,105</u>	<u>1,904</u>	<u>9,201</u>
Deficiency of revenues under expenditures	<u>(8,812)</u>	<u>(8,812)</u>	<u>(4)</u>	<u>8,808</u>
Other Financing Uses:				
Transfers out			(26)	(26)
Total other financing uses			<u>(26)</u>	<u>(26)</u>
Net change in fund balance	(8,812)	(8,812)	(30)	8,782
Fund Balance at Beginning of Year	<u>8,864</u>	<u>8,864</u>	<u>8,864</u>	
Fund Balance at End of Year	<u>\$ 52</u>	<u>52</u>	<u>8,834</u>	<u>8,782</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
CHILD DEVELOPMENT SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 14,607	17,413	15,843	(1,570)
Other revenue	7,231	7,231	6,966	(265)
Total revenues	<u>21,838</u>	<u>24,644</u>	<u>22,809</u>	<u>(1,835)</u>
Expenditures:				
Public assistance				
Salaries and benefits	7,331	6,587	6,100	487
Services and supplies	3,524	3,124	3,112	12
Other charges	2,843	4,543	4,498	45
Capital assets	100			
Expenditure transfers	8,278	10,628	8,967	1,661
Total public assistance	<u>22,076</u>	<u>24,882</u>	<u>22,677</u>	<u>2,205</u>
Total expenditures	<u>22,076</u>	<u>24,882</u>	<u>22,677</u>	<u>2,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(238)</u>	<u>(238)</u>	<u>132</u>	<u>370</u>
Other Financing Uses:				
Transfers out			(164)	(164)
Total other financing uses			<u>(164)</u>	<u>(164)</u>
Net change in fund balance	(238)	(238)	(32)	206
Fund Balance at Beginning of Year	<u>553</u>	<u>553</u>	<u>553</u>	
Fund Balance at End of Year	<u>\$ 315</u>	<u>315</u>	<u>521</u>	<u>206</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,787	1,787	1,833	46
Other revenue	177	177	181	4
Total revenues	<u>1,964</u>	<u>1,964</u>	<u>2,014</u>	<u>50</u>
Expenditures:				
Public assistance				
Salaries and benefits	1,032	1,063	1,063	
Services and supplies	158	158	151	7
Other charges	694	655	620	35
Capital assets	2	2		2
Expenditure transfers	172	180	180	
Total public assistance	<u>2,058</u>	<u>2,058</u>	<u>2,014</u>	<u>44</u>
Total expenditures	<u>2,058</u>	<u>2,058</u>	<u>2,014</u>	<u>44</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94)</u>	<u>(94)</u>		<u>94</u>
Net change in fund balance	(94)	(94)		94
Fund Balance at Beginning of Year	<u>100</u>	<u>100</u>	<u>100</u>	
Fund Balance at End of Year	<u>\$ 6</u>	<u>6</u>	<u>100</u>	<u>94</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COUNTY LOCAL REVENUE FUND 2011 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 125,907	133,472	142,147	8,675
Other revenue			21	21
Total revenues	<u>125,907</u>	<u>133,472</u>	<u>142,168</u>	<u>8,696</u>
Expenditures:				
Public protection:				
Expenditure transfers	35,708	38,483	38,483	
Total public protection	<u>35,708</u>	<u>38,483</u>	<u>38,483</u>	
Public assistance:				
Expenditure transfers	82,158	88,563	88,563	
Total public assistance	<u>82,158</u>	<u>88,563</u>	<u>88,563</u>	
Total expenditures	<u>117,866</u>	<u>127,046</u>	<u>127,046</u>	
Excess of revenues over expenditures	<u>8,041</u>	<u>6,426</u>	<u>15,122</u>	<u>8,696</u>
Other Financing Uses:				
Transfers out	(7,384)	(7,384)	(6,573)	811
Total other financing uses	<u>(7,384)</u>	<u>(7,384)</u>	<u>(6,573)</u>	<u>811</u>
Net change in fund balance	657	(958)	8,549	9,507
Fund Balance at Beginning of Year	<u>30,406</u>	<u>30,406</u>	<u>30,406</u>	
Fund Balance at End of Year	<u>\$ 31,063</u>	<u>29,448</u>	<u>38,955</u>	<u>9,507</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
OTHER SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 535	535	546	11
Licenses, permits and franchise fees	102	108	116	8
Fines, forfeitures and penalties	49	49	36	(13)
Use of money and property	55	55	146	91
Intergovernmental	24,007	24,007	23,781	(226)
Charges for services	2,421	2,475	2,484	9
Other revenue	2,124	2,124	1,725	(399)
Total revenues	29,293	29,353	28,834	(519)
Expenditures:				
Current:				
General government				
Services and supplies	1,422	1,122	131	991
Other charges	292	432	229	203
Expenditure transfers	293	593	593	
Total general government	2,007	2,147	953	1,194
Public protection				
Salaries and benefits	17,865	17,171	16,499	672
Services and supplies	5,993	6,407	2,520	3,887
Other charges	1,748	1,837	1,144	693
Capital assets	22	49		49
Expenditure transfers	6,475	6,660	4,027	2,633
Total public protection	32,103	32,124	24,190	7,934
Public assistance				
Salaries and benefits	244	249	249	
Services and supplies	1,976	1,782	1,048	734
Other charges	214	202	197	5
Expenditure transfers	820	1,937	1,506	431
Total public assistance	3,254	4,170	3,000	1,170
Public ways and facilities				
Services and supplies	5	5		5
Other charges	2	2		2
Expenditure transfers	527	527	40	487
Total public ways and facilities	534	534	40	494
Debt service:				
Interest	8	8	8	
Total expenditures	37,906	38,983	28,191	10,792
Excess (deficiency) of revenues over (under) expenditures	(8,613)	(9,630)	643	10,273
Other Financing Sources (Uses):				
Transfers out	(3,452)	(3,312)	(905)	2,407
Capital lease financing			193	193
Total other financing sources (uses)	(3,452)	(3,312)	(712)	2,600
Net change in fund balance	(12,065)	(12,942)	(69)	12,873
Fund Balance at Beginning of Year	40,557	40,557	40,557	
Fund Balance at End of Year	\$ 28,492	27,615	40,488	12,873

Nonmajor Debt Service Funds

DEBT SERVICE FUNDS

Debt service funds are used to account for accumulation of resources for, and payment of, principal and interest on the county's general long-term debt.

RECREATION AND PARK BONDS FUND

This fund is used to account for accumulated monies for payment of recreation and park bonds. Financing is provided by specific property tax levies.

PUBLIC FINANCING AUTHORITY (PFA) FUND

This fund is used to account for accumulated monies for payment of general long-term debt incurred for the various financing activities of the County of Contra Costa Public Financing Authority.

FAMILY LAW CENTER FUND

This fund is used to make annual debt service payments on the Family Law Center from money received from the settlement agreement between the county and Contra Costa County Superior Court.

RETIREMENT LITIGATION SETTLEMENT FUND

This fund is used to account for accumulated monies for payment of the additional retirement benefits for retirees from the settlement of Vernon D. Paulson, et. al. vs. Board of Retirement of the Contra Costa County Employees' Retirement Association, et al. The county has entered into an agreement with CCCERA to pay the liability for its share of the additional costs over a twenty year period.

CCC FIRE PROTECTION DISTRICT PENSION BOND FUND

This fund is used to account for accumulated monies for payment of taxable pension obligation bonds for the Contra Costa County Fire Protection District. These bonds were issued to reduce or extinguish the fire district's unfunded actuarial accrued liability (UAAL).

COUNTY PENSION BOND FUND

This fund is used to account for accumulated monies for payment of taxable pension obligation bonds. These bonds were issued to reduce or extinguish the county's unfunded actuarial accrued liability (UAAL).

ASSESSMENT DISTRICTS FUND

This fund is used to account for accumulated monies for payment of assessment district debt issued to fund assessment district capital improvement projects.

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2015
 (In Thousands)

	Recreation and Park Bonds	Public Financing Authority	Family Law Center	Retirement Litigation Settlement
Assets:				
Cash and investments	\$	1,444	2,632	2,530
Accounts receivable and accrued revenue				230
Due from other funds				
Restricted cash and investments		13,809		
Total assets	\$	15,253	2,632	2,760
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$			2,760
Due to other funds			326	
Unearned revenue				
Total liabilities			326	2,760
Fund Balances:				
Restricted		15,253	2,306	
Total fund balances		15,253	2,306	
Total liabilities and fund balances	\$	15,253	2,632	2,760

CCC Fire Protection District Pension Bond	County Pension Bond	Assessment Districts	Total
10,431	7,093	1,455	25,585
	3,029	61	3,090
			230
	3	1,652	15,464
<u>10,431</u>	<u>10,125</u>	<u>3,168</u>	<u>44,369</u>
		354	3,114
			326
		60	60
		414	3,500
<u>10,431</u>	<u>10,125</u>	<u>2,754</u>	<u>40,869</u>
<u>10,431</u>	<u>10,125</u>	<u>2,754</u>	<u>40,869</u>
<u>10,431</u>	<u>10,125</u>	<u>3,168</u>	<u>44,369</u>

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Recreation and Park Bonds	Public Financing Authority	Family Law Center	Retirement Litigation Settlement
Revenues:				
Taxes	\$			
Use of money and property		27,751		
Other revenue		4,998		
Total revenues		32,749		
Expenditures:				
Current:				
General government		3		
Public assistance	78			
Debt service:				
Principal		14,162		1,329
Interest		15,965		1,431
Total expenditures	78	30,130		2,760
Excess (deficiency) of revenues over (under) expenditures	(78)	2,619		(2,760)
Other Financing Sources (Uses):				
Transfers in		460		2,760
Transfers out			(439)	
Total other financing sources (uses)		460	(439)	2,760
Net change in fund balances	(78)	3,079	(439)	
Fund Balances at Beginning of Year	78	12,174	2,745	
Fund Balances at End of Year	\$	15,253	2,306	

CCC Fire Protection District Pension Bond	County Pension Bond	Assessment Districts	Total
		12,976	12,976
10	3	3	27,767
<u>12,730</u>	<u>1,133</u>		<u>18,861</u>
<u>12,740</u>	<u>1,136</u>	<u>12,979</u>	<u>59,604</u>
	2		5
		11,616	11,694
7,140	21,580	823	45,034
<u>4,792</u>	<u>13,830</u>	<u>233</u>	<u>36,251</u>
<u>11,932</u>	<u>35,412</u>	<u>12,672</u>	<u>92,984</u>
<u>808</u>	<u>(34,276)</u>	<u>307</u>	<u>(33,380)</u>
	36,263		39,483
		(460)	(899)
	<u>36,263</u>	<u>(460)</u>	<u>38,584</u>
808	1,987	(153)	5,204
<u>9,623</u>	<u>8,138</u>	<u>2,907</u>	<u>35,665</u>
<u>10,431</u>	<u>10,125</u>	<u>2,754</u>	<u>40,869</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
RECREATION AND PARK BONDS DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
\$				
Total revenues				
Expenditures:				
Public assistance				
Services and supplies	77			
Other charges		78	78	
Total public assistance	77	78	78	
Total expenditures	77	78	78	
Deficiency of revenues under expenditures	(77)	(78)	(78)	
Net change in fund balance	(77)	(78)	(78)	
Fund Balance at Beginning of Year	78	78	78	
Fund Balance at End of Year	\$ 1			

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
FAMILY LAW CENTER DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
\$				
Total revenues				
Expenditures:				
Public assistance				
Services and supplies	2,155	2,155		2,155
Total public assistance	2,155	2,155		2,155
Total expenditures	2,155	2,155		2,155
Excess (deficiency) of revenues over (under) expenditures	(2,155)	(2,155)		2,155
Other Financing Uses:				
Transfers out	(478)	(478)	(439)	39
Total other financing uses	(478)	(478)	(439)	39
Net change in fund balance	(2,633)	(2,633)	(439)	2,194
Fund Balance at Beginning of Year	2,745	2,745	2,745	
Fund Balance at End of Year	\$ 112	112	2,306	2,194

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
RETIREMENT LITIGATION SETTLEMENT DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
\$				
Total revenues				
Expenditures:				
Debt service:				
Principal	1,329	1,329	1,329	
Interest	1,431	1,431	1,431	
Total expenditures	2,760	2,760	2,760	
Deficiency of revenues under expenditures	(2,760)	(2,760)	(2,760)	
Other Financing Sources:				
Transfers in	2,760	2,760	2,760	
Total other financing sources	2,760	2,760	2,760	
Net change in fund balance				
Fund Balance at Beginning of Year				
Fund Balance at End of Year				
\$				

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
CCC FIRE PROTECTION DISTRICT PENSION BOND DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 30	30	10	(20)
Other revenue	2,310	2,310	12,730	10,420
Total revenues	<u>2,340</u>	<u>2,340</u>	<u>12,740</u>	<u>10,400</u>
Expenditures:				
Current:				
Public protection				
Services and supplies	18	18		18
Total public protection	<u>18</u>	<u>18</u>		<u>18</u>
Debt service:				
Principal	7,140	7,140	7,140	
Interest	4,792	4,792	4,792	
Total expenditures	<u>11,950</u>	<u>11,950</u>	<u>11,932</u>	<u>18</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,610)</u>	<u>(9,610)</u>	<u>808</u>	<u>10,418</u>
Other Financing Uses:				
Transfers out	(13)	(13)		13
Total other financing uses	<u>(13)</u>	<u>(13)</u>		<u>13</u>
Net change in fund balance	<u>(9,623)</u>	<u>(9,623)</u>	<u>808</u>	<u>10,431</u>
Fund Balance at Beginning of Year	<u>9,623</u>	<u>9,623</u>	<u>9,623</u>	
Fund Balance at End of Year	<u>\$</u>	<u></u>	<u>10,431</u>	<u>10,431</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COUNTY PENSION BOND DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 400	400	3	(397)
Other revenue			1,133	1,133
Total revenues	<u>400</u>	<u>400</u>	<u>1,136</u>	<u>736</u>
Expenditures:				
Current:				
General government				
Other charges	3	3	2	1
Total general government	<u>3</u>	<u>3</u>	<u>2</u>	<u>1</u>
Debt service:				
Principal	21,580	21,580	21,580	
Interest	21,968	21,968	13,830	8,138
Total expenditures	<u>43,551</u>	<u>43,551</u>	<u>35,412</u>	<u>8,139</u>
Deficiency of revenues under expenditures	<u>(43,151)</u>	<u>(43,151)</u>	<u>(34,276)</u>	<u>8,875</u>
Other Financing Sources:				
Transfers in	35,013	35,013	36,263	1,250
Total other financing sources	<u>35,013</u>	<u>35,013</u>	<u>36,263</u>	<u>1,250</u>
Net change in fund balance	<u>(8,138)</u>	<u>(8,138)</u>	<u>1,987</u>	<u>10,125</u>
Fund Balance at Beginning of Year	<u>8,138</u>	<u>8,138</u>	<u>8,138</u>	
Fund Balance at End of Year	<u>\$</u>	<u></u>	<u>10,125</u>	<u>10,125</u>

Nonmajor Capital Projects Fund

CAPITAL PROJECTS FUND

Capital projects funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed in the proprietary funds. The county's Capital Projects Fund is included in the combining financial statements of the nonmajor governmental funds (starting on page 104).

ASSESSMENT DISTRICTS FUND

This fund is used to account for all the capital improvement projects constructed using assessment district funds.



Nonmajor Governmental Fund

PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The county's Permanent Fund is included in the combining financial statements of the nonmajor governmental funds (starting on page 104).

LIBRARY GIFT PERMANENT FUND

This fund is used to account for principal trust amounts received and related interest income. The interest portion of the fund is used to support the county libraries.



Nonmajor Enterprise Funds

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the county has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

AIRPORT FUND

This fund was established to account for the financial activities of the Buchanan Field and Byron Airport aviation facilities. Revenues include receipts under rental and lease arrangements involving county airport facilities, and state and federal aid.

SHERIFF LAW ENFORCEMENT TRAINING CENTER FUND

This fund was established to account for the financial activities of the Sheriff Law Enforcement Training Center. The center provides training to law enforcement personnel from the County Sheriff's Office and other agencies. Revenues include tuition fees paid by the student or law enforcement agency and state aid.

CHILD CARE ENTERPRISE FUND

This fund was established to account for the fee-for-service childcare program through the Community Services Bureau. This program was established to meet the needs of families who do not qualify for Child Development programs due to a higher family income yet cannot afford to pay the cost of the market rate for childcare. Revenues will be generated by the program fees for childcare. The revenues are expected to cover the cost of the program operation.

HMO COMMERCIAL PLAN

Revenues and expenditures are related to Medicare, county employees, and private citizens enrolled in the Commercial Plan. In addition to monthly insurance capitation payments, revenues include realignment funds, National Master Tobacco Settlement funds, and subsidies from the General Fund.

MAJOR RISK MEDICAL INSURANCE FUND

Revenues and expenditures related to residents who qualify for the state sponsored Aid to Infants and Mothers (AIM) Program and the Major Risk Medical Insurance Program (MRMIP).

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2015
 (In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
Assets and Deferred Outflows of Resources:						
Assets:						
Current assets:						
Cash and investments	\$ 5,137	396	16	11,979		17,528
Accounts receivable and accrued revenue (net)	40	39		9,352	224	9,655
Inventories	25					25
Due from other funds	4	167		2,253	103	2,527
Prepaid items and deposits	93	170				263
Total current assets	5,299	772	16	23,584	327	29,998
Noncurrent assets:						
Capital assets:						
Nondepreciable	9,757					9,757
Depreciable, net	6,606	90		138		6,834
Total noncurrent assets	16,363	90		138		16,591
Total assets	21,662	862	16	23,722	327	46,589
Deferred Outflows of Resources:						
Deferred pension outflows	210	82				292
Total Assets and Deferred Outflows of Resources	\$ 21,872	944	16	23,722	327	46,881
Liabilities, Deferred Inflows of Resources, and Net Position:						
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 401	122		9,139		9,662
Due to other funds	77	25		6,909	326	7,337
Unearned revenue	156					156
Current portion of long-term liabilities	9	4				13
Total current liabilities	643	151		16,048	326	17,168
Noncurrent portion of long-term liabilities:						
Compensated absences	76	38				114
Net pension liability	1,259	494				1,753
Total noncurrent portion of long-term liabilities	1,335	532				1,867
Total liabilities	1,978	683		16,048	326	19,035
Deferred Inflows of Resources:						
Deferred pension inflows	163	64				227
Total deferred inflows of resources	163	64				227
Net Position:						
Net investments in capital assets	16,363	90		138		16,591
Unrestricted	3,368	107	16	7,536	1	11,028
Total net position	19,731	197	16	7,674	1	27,619
Total liabilities, Deferred Inflows of Resources, and Net Position	\$ 21,872	944	16	23,722	327	46,881

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
Operating Revenues:						
Use of money and property	\$ 3,992			316		4,308
Charges for services	27	1,101		82,884	422	84,434
Other revenue	346	67				413
Total operating revenues	<u>4,365</u>	<u>1,168</u>		<u>83,200</u>	<u>422</u>	<u>89,155</u>
Operating Expenses:						
Salaries and employee benefits	1,529	804				2,333
Services and supplies	1,147	344		85,256	420	87,167
Other charges	310	133		785	2	1,230
Expense transfers	139	58				197
Depreciation	1,057	31		110		1,198
Total operating expenses	<u>4,182</u>	<u>1,370</u>		<u>86,151</u>	<u>422</u>	<u>92,125</u>
Operating income (loss)	<u>183</u>	<u>(202)</u>		<u>(2,951)</u>		<u>(2,970)</u>
Nonoperating Revenues (Expenses):						
State and federal grants	97	371		92		560
Interest expense				(56)		(56)
Total nonoperating revenues (expenses)	<u>97</u>	<u>371</u>		<u>36</u>		<u>504</u>
Income (Loss) Before Transfers	280	169		(2,915)		(2,466)
Transfers in		223		3,736		3,959
Transfers out	(75)	(21)				(96)
Change in net position	205	371		821		1,397
Total Net Position at Beginning of Year, as Previously Reported	<u>20,938</u>	<u>381</u>	<u>16</u>	<u>6,853</u>	<u>1</u>	<u>28,189</u>
Adjustments to beginning net position	(1,412)	(555)				(1,967)
Total Net Position at Beginning of Year	<u>19,526</u>	<u>(174)</u>	<u>16</u>	<u>6,853</u>	<u>1</u>	<u>26,222</u>
Total Net Position at End of Year	<u>\$ 19,731</u>	<u>197</u>	<u>16</u>	<u>7,674</u>	<u>1</u>	<u>27,619</u>

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
Cash Flows from Operating Activities:						
Cash received from customers	\$ 4,430	1,198		75,719	272	81,619
Cash received from other funds		64		38,910	346	39,320
Cash payment to other funds	(4)					(4)
Cash payment to suppliers for goods and services	(1,696)	(680)		(106,422)	(618)	(109,416)
Cash payment to employees for services	(1,739)	(878)				(2,617)
Net Cash Provided by (Used for) Operating Activities	<u>991</u>	<u>(296)</u>		<u>8,207</u>		<u>8,902</u>
Cash Flows from Noncapital Financing Activities:						
State and federal grants	97	371		92		560
Transfers received		223		3,736		3,959
Transfers paid	(75)	(21)				(96)
Net Cash Provided by Noncapital Financing Activities	<u>22</u>	<u>573</u>		<u>3,828</u>		<u>4,423</u>
Cash Flows from Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(230)					(230)
Interest paid				(56)		(56)
Net Cash Used in Capital and Related Financing Activities	<u>(230)</u>			<u>(56)</u>		<u>(286)</u>
Net Increase in Cash and Cash Equivalents	783	277		11,979		13,039
Cash and Cash Equivalents at Beginning of Year	<u>4,354</u>	<u>119</u>	<u>16</u>			<u>4,489</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,137</u>	<u>396</u>	<u>16</u>	<u>11,979</u>		<u>17,528</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Operating income (loss)	\$ 183	(202)		(2,951)		(2,970)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	1,057	31		110		1,198
Changes in operating assets and liabilities:						
Decrease (increase) in:						
Accounts receivable and accrued revenue	55	31		(7,481)	(150)	(7,545)
Inventories	13					13
Due from other funds	(4)	64			346	406
Prepaid items and deposits	4	(130)		38,910		38,784
Deferred outflows of resources	(73)	(28)				(101)
Increase (decrease) in:						
Accounts payable and accrued liabilities	(124)	32		(3,932)	(13)	(4,037)
Due to other funds	7	9		(16,449)	(183)	(16,616)
Deferred inflows of resources	163	64				227
Net pension liability	(290)	(114)				(404)
Unearned revenue	10	(57)				(47)
Compensated absences	(10)	4				(6)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 991</u>	<u>(296)</u>		<u>8,207</u>		<u>8,902</u>

INTERNAL SERVICE FUNDS

FLEET SERVICES

This fund is used to account for the rental of motor vehicles to other departments and related costs.

SELF-INSURANCE FUNDS

These funds are used to account for administrative costs and payments of claims under the various insurance programs. Revenues are primarily premiums paid by other operating funds and interest on investments. The insurance programs are:

- Employee Dental Insurance
- Long-Term Disability Insurance (Management Employees)
- Workers' Compensation Insurance
 - County General
 - Fire Protection
- Automotive Liability Insurance
- Public (General) Liability Insurance
- State Unemployment Insurance
- Medical Liability Insurance
- Special District Property Insurance

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
 JUNE 30, 2015
 (In Thousands)

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Assets and Deferred Outflows of Resources:				
Assets:				
Current assets:				
Cash and investments	\$ 3,693	3,983	3,312	91,321
Accounts receivable and accrued revenue (net)	3	1		1,470
Inventories	331			
Due from other funds	1,033			75
Prepaid items and deposits	10			
Total current assets	<u>5,070</u>	<u>3,984</u>	<u>3,312</u>	<u>92,866</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	1,737			
Depreciable, net	6,123			
Total noncurrent assets	<u>7,860</u>			
Total assets	<u>12,930</u>	<u>3,984</u>	<u>3,312</u>	<u>92,866</u>
Deferred Outflows of Resources:				
Deferred pension outflows	249			
Total deferred outflows of resources	<u>249</u>			
Total assets and deferred outflows of resources	<u>\$ 13,179</u>	<u>3,984</u>	<u>3,312</u>	<u>92,866</u>
Liabilities, Deferred Inflows of Resources, and Net Position:				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 835		15	
Due to other funds	505	58		438
Claims payable		1,048	2,590	20,304
Compensated absences payable	8			
Total current liabilities	<u>1,348</u>	<u>1,106</u>	<u>2,605</u>	<u>20,742</u>
Noncurrent liabilities:				
Claims payable			518	92,115
Compensated absences payable	72			
Net pension liability	1,491			
Total noncurrent liabilities	<u>1,563</u>		<u>518</u>	<u>92,115</u>
Total liabilities	<u>2,911</u>	<u>1,106</u>	<u>3,123</u>	<u>112,857</u>
Deferred Inflows of Resources:				
Deferred pension inflows	193			
Total deferred inflows of resources	<u>193</u>			
Net Position (Deficit):				
Net investment in capital assets	7,859			
Unrestricted net position (deficit)	2,216	2,878	189	(19,991)
Total net position (deficit)	<u>10,075</u>	<u>2,878</u>	<u>189</u>	<u>(19,991)</u>
Total liabilities, deferred inflows of resources, and net position (deficit)	<u>\$ 13,179</u>	<u>3,984</u>	<u>3,312</u>	<u>92,866</u>

Workers' Compensation Insurance	Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
	25,910	3,629	12,981	6,123	5,731	1,701	158,384
	289		4	169			1,936
	7	25	29		22		331
							1,191
							10
	<u>26,206</u>	<u>3,654</u>	<u>13,014</u>	<u>6,292</u>	<u>5,753</u>	<u>1,701</u>	<u>161,852</u>
							1,737
							6,123
							7,860
	<u>26,206</u>	<u>3,654</u>	<u>13,014</u>	<u>6,292</u>	<u>5,753</u>	<u>1,701</u>	<u>169,712</u>
							249
							249
	<u>26,206</u>	<u>3,654</u>	<u>13,014</u>	<u>6,292</u>	<u>5,753</u>	<u>1,701</u>	<u>169,961</u>
							850
	70	11	419	16	33	1	1,551
	5,962	597	4,647	2,293	2,396		39,837
							8
	<u>6,032</u>	<u>608</u>	<u>5,066</u>	<u>2,309</u>	<u>2,429</u>	<u>1</u>	<u>42,246</u>
	31,579	602	7,362		1,526		133,702
							72
							1,491
	<u>31,579</u>	<u>602</u>	<u>7,362</u>		<u>1,526</u>		<u>135,265</u>
	<u>37,611</u>	<u>1,210</u>	<u>12,428</u>	<u>2,309</u>	<u>3,955</u>	<u>1</u>	<u>177,511</u>
							193
							193
							7,859
	<u>(11,405)</u>	<u>2,444</u>	<u>586</u>	<u>3,983</u>	<u>1,798</u>	<u>1,700</u>	<u>(15,602)</u>
	<u>(11,405)</u>	<u>2,444</u>	<u>586</u>	<u>3,983</u>	<u>1,798</u>	<u>1,700</u>	<u>(7,743)</u>
	<u>26,206</u>	<u>3,654</u>	<u>13,014</u>	<u>6,292</u>	<u>5,753</u>	<u>1,701</u>	<u>169,961</u>

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Operating Revenues:				
Charges for services	\$ 186	10,689	1,148	18,290
Other revenue	10,785			
Total operating revenues	<u>10,971</u>	<u>10,689</u>	<u>1,148</u>	<u>18,290</u>
Operating Expenses:				
Salaries and employee benefits	1,908			
Services and supplies	6,044	687	12	6,625
Benefit and claim expense		10,799	1,719	18,419
Other charges	664			
Depreciation	1,915			8
Total operating expenses	<u>10,531</u>	<u>11,486</u>	<u>1,731</u>	<u>25,052</u>
Operating Income (Loss)	<u>440</u>	<u>(797)</u>	<u>(583)</u>	<u>(6,762)</u>
Nonoperating Revenues:				
Investment income		4	4	1,071
Total nonoperating revenues		<u>4</u>	<u>4</u>	<u>1,071</u>
Income (loss) before transfers	440	(793)	(579)	(5,691)
Capital contributions	129			
Transfers in	2			
Transfers out	(57)			
Change in net position	<u>514</u>	<u>(793)</u>	<u>(579)</u>	<u>(5,691)</u>
Total Net Position at Beginning of Year, as Previously Reported	11,233	3,671	768	(14,300)
Adjustments to beginning net position	(1,672)			
Total Net Position (Deficit) at Beginning of Year, as Restated	<u>9,561</u>	<u>3,671</u>	<u>768</u>	<u>(14,300)</u>
Total Net Position (Deficit) at End of Year	<u>\$ 10,075</u>	<u>2,878</u>	<u>189</u>	<u>(19,991)</u>

Workers' Compensation Insurance	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
3,406	244	6,638	1,979	1,801	1,370	45,751
						10,785
<u>3,406</u>	<u>244</u>	<u>6,638</u>	<u>1,979</u>	<u>1,801</u>	<u>1,370</u>	<u>56,536</u>
						1,908
596	747	4,299	13	321	553	19,897
1,886	129	4,375	1,035	1,899	363	40,624
						664
		7				1,930
<u>2,482</u>	<u>876</u>	<u>8,681</u>	<u>1,048</u>	<u>2,220</u>	<u>916</u>	<u>65,023</u>
<u>924</u>	<u>(632)</u>	<u>(2,043)</u>	<u>931</u>	<u>(419)</u>	<u>454</u>	<u>(8,487)</u>
<u>159</u>	<u>12</u>	<u>38</u>	<u>6</u>			<u>1,294</u>
<u>159</u>	<u>12</u>	<u>38</u>	<u>6</u>			<u>1,294</u>
1,083	(620)	(2,005)	937	(419)	454	(7,193)
	45				10	129
		(61)			(20)	57
<u>1,083</u>	<u>(575)</u>	<u>(2,066)</u>	<u>937</u>	<u>(419)</u>	<u>444</u>	<u>(7,145)</u>
(12,488)	3,019	2,652	3,046	2,217	1,256	1,074
						(1,672)
<u>(12,488)</u>	<u>3,019</u>	<u>2,652</u>	<u>3,046</u>	<u>2,217</u>	<u>1,256</u>	<u>(598)</u>
<u>(11,405)</u>	<u>2,444</u>	<u>586</u>	<u>3,983</u>	<u>1,798</u>	<u>1,700</u>	<u>(7,743)</u>

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Cash Flows from Operating Activities:				
Cash received from customers	\$ 11,160	10,688	1,197	18,239
Cash payment to other funds				(39)
Cash payment to suppliers for goods and services	(6,896)	(11,419)	(1,346)	(21,203)
Cash payment to employees for services	(1,681)		15	
Net Cash Provided by (Used for) Operating Activities	2,583	(731)	(134)	(3,003)
Cash Flows from Noncapital Financing Activities:				
Transfers received	2			
Transfers paid out	(57)			
Net Cash Provided by (used for) Noncapital Financing Activities	(55)			
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(2,579)			
Capital contributions	129			
Net Cash Used in Capital and Related Financing Activities	(2,450)			
Cash Flows from Investing Activities:				
Interest received on investments		4	4	1,071
Net Cash Provided by Investing Activities		4	4	1,071
Net Increase (Decrease) in Cash and Cash Equivalents	78	(727)	(130)	(1,932)
Cash and Cash Equivalents at Beginning of Year	3,615	4,710	3,442	93,253
Cash and Cash Equivalents at End of Year	\$ 3,693	3,983	3,312	91,321
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ 440	(797)	(583)	(6,762)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation	1,915			8
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Accounts receivable and accrued revenue	9	(1)	49	(51)
Inventories	15			
Due from other funds	158			(39)
Prepaid expense	22			
Deferred outflows of resources	(86)			
Increase (decrease) in:				
Accounts payable and accrued liabilities	456		15	
Claims payable		123	391	3,857
Due to other funds	(203)	(56)	(6)	(16)
Deferred inflows of resources	193			
Net pension liability	(344)			
Compensated absences	8			
Net Cash Provided by (Used for) Operating Activities	\$ 2,583	(731)	(134)	(3,003)
Noncash investing, capital, and financing activities:				
Capital contribution of capital assets from government	\$ 129			

Workers' Compensation Insurance	Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
	3,388	244	6,647	1,972	1,808	1,370	56,713
	(4)	(4)	(18)		(22)		(87)
	(3,421)	(883)	(7,146)	(1,367)	(2,685)	(916)	(57,282)
				(5)			(1,671)
	(37)	(643)	(517)	600	(899)	454	(2,327)
		45				10	57
			(61)			(20)	(138)
		45	(61)			(10)	(81)
							(2,579)
							129
							(2,450)
	159	12	38	6			1,294
	159	12	38	6			1,294
	122	(586)	(540)	606	(899)	444	(3,564)
	25,788	4,215	13,521	5,517	6,630	1,257	161,948
	25,910	3,629	12,981	6,123	5,731	1,701	158,384
	924	(632)	(2,043)	931	(419)	454	(8,487)
			7				1,930
	(18)		9	(7)	7		(3)
	(4)						11
		(4)	(18)		(22)		75
							22
							(86)
				(5)			466
	(957)	(8)	1,520	(310)	(473)		4,143
	18	1	8	(9)	8		(255)
							193
							(344)
							8
	(37)	(643)	(517)	600	(899)	454	(2,327)



FIDUCIARY FUNDS

PRIVATE-PURPOSE TRUST FUNDS

SUCCESSOR AGENCY TO THE CONTRA COSTA COUNTY REDEVELOPMENT AGENCY

This fund accounts for the payments due for enforceable obligations, performance of obligations, and disposal of all assets of the former redevelopment agency.

OTHER PRIVATE-PURPOSE TRUST FUND

This fund accounts for assets held in trust for the benefit of individuals, private organizations, and other governments.

AGENCY FUNDS

TAX LOSSES RESERVE

This fund was established as a reserve for all delinquent secured taxes. It accumulates gains from tax sales and specified amounts of penalties and interest collected on delinquent secured taxes to cover possible future losses on the sale of tax-deeded property.

UNAPPORTIONED TAXES

This fund is used to account for the following: unsecured taxes receivable, delinquent secured taxes, amounts which are impounded because of disputes or litigation, and amounts held pending authority for apportionment.

OTHER AGENCIES

This fund is used to account for assets held by the county for individuals, private organizations, and other governmental units. This fund includes payroll deduction clearing and other collections clearing monies.

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2015
 (In Thousands)

	Successor Agency to the Contra Costa County Redevelopment Agency	Other Private- Purpose Trust	Total
Assets:			
Cash and investments	\$ 7,530	21,799	29,329
Receivables		72	72
Notes receivable, net	25		25
Restricted cash and investments	4,978		4,978
Total assets	12,533	21,871	34,404
Deferred Outflows of Resources:			
Loss on refunding of debt	2,954		2,954
Total outflows of resources	2,954		2,954
Liabilities:			
Accounts payable and accrued liabilities		77	77
Due to other governments	775		775
Accrued interest payable	2,284		2,284
Noncurrent liabilities:			
Due within one year	2,199		2,199
Due in more than one year	89,621		89,621
Total liabilities	94,879	77	94,956
Net Position (Deficit):			
Restricted for participation in individually directed investment accounts		21,794	21,794
Unrestricted deficit	(79,392)		(79,392)
Total net position (deficit)	\$ (79,392)	21,794	(57,598)

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Successor Agency to the Contra Costa County Redevelopment Agency	Other Private- Purpose Trust	Total
Additions:			
Property tax distribution	\$ 10,147		10,147
Other revenue	1	17,225	17,226
Investment income		68	68
Total additions	<u>10,148</u>	<u>17,293</u>	<u>27,441</u>
Deductions:			
Project expenditures	1,207		1,207
Financial assistance payments	1,978		1,978
Interest and fiscal charges	5,507		5,507
Administrative and other expenses	250	1,252	1,502
Other		15,292	15,292
Total deductions	<u>8,942</u>	<u>16,544</u>	<u>25,486</u>
Change in net position	<u>1,206</u>	<u>749</u>	<u>1,955</u>
Net Position (Deficit) at Beginning of Year	<u>(80,598)</u>	<u>21,045</u>	<u>(59,553)</u>
Net Position (Deficit) at End of Year	<u>\$ (79,392)</u>	<u>21,794</u>	<u>(57,598)</u>

COUNTY OF CONTRA COSTA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Tax Losses Reserve:				
Assets:				
Cash and investments	\$ 105,858	16,249	22,348	99,759
Due from other governments	6,791	6,260	6,791	6,260
Total assets	\$ 112,649	22,509	29,139	106,019
Liabilities:				
Due to other governments	\$ 22,000	22,000	22,000	22,000
Tax loss guarantees	90,649	15,718	22,348	84,019
Total liabilities	\$ 112,649	37,718	44,348	106,019
Unapportioned Taxes:				
Assets:				
Accounts receivable	\$ 36,596	28,300	39,817	25,079
Taxes receivable	173,759	1,183,283	1,186,714	170,328
Total assets	\$ 210,355	1,211,583	1,226,531	195,407
Liabilities:				
Accounts payable	\$ 46,440	65,754	71,587	40,607
Due to other governments	36,312	31,024	36,312	31,024
Unapportioned taxes	127,603	1,391,310	1,395,137	123,776
Total liabilities	\$ 210,355	1,488,088	1,503,036	195,407
Other Agencies:				
Assets:				
Cash and investments	\$ 92,100	1,483,171	1,476,545	98,726
Accounts receivable	15,764	44,538	43,166	17,136
Due from other governments		1,251	1,251	
Total assets	\$ 107,864	1,528,960	1,520,962	115,862
Liabilities:				
Warrants outstanding	\$ 30,484	395,413	389,471	36,426
Accounts payable	11,776	997,769	998,578	10,967
Due to other governments		2,576	2,576	
Due to other agencies and districts	65,604	203,801	200,936	68,469
Total liabilities	\$ 107,864	1,599,559	1,591,561	115,862

(continued)

COUNTY OF CONTRA COSTA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (In Thousands)

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Totals-Agency Funds:				
Assets:				
Cash and investments	\$ 197,958	1,499,420	1,498,893	198,485
Accounts receivable	52,360	72,838	82,983	42,215
Due from other governments	6,791	7,511	8,042	6,260
Taxes receivable	173,759	1,183,283	1,186,714	170,328
Total assets	\$ 430,868	2,763,052	2,776,632	417,288
Liabilities:				
Warrants outstanding	\$ 30,484	395,413	389,471	36,426
Accounts payable	58,216	1,063,523	1,070,165	51,574
Due to other governments	58,312	55,600	60,888	53,024
Unapportioned taxes	127,603	1,391,310	1,395,137	123,776
Tax loss guarantees	90,649	15,718	22,348	84,019
Due to other agencies and districts	65,604	203,801	200,936	68,469
Total liabilities	\$ 430,868	3,125,365	3,138,945	417,288

(concluded)



Statistical Section



COUNTY OF CONTRA COSTA

Statistical Section

This part of the county's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the county's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.

Economic & Demographic Information

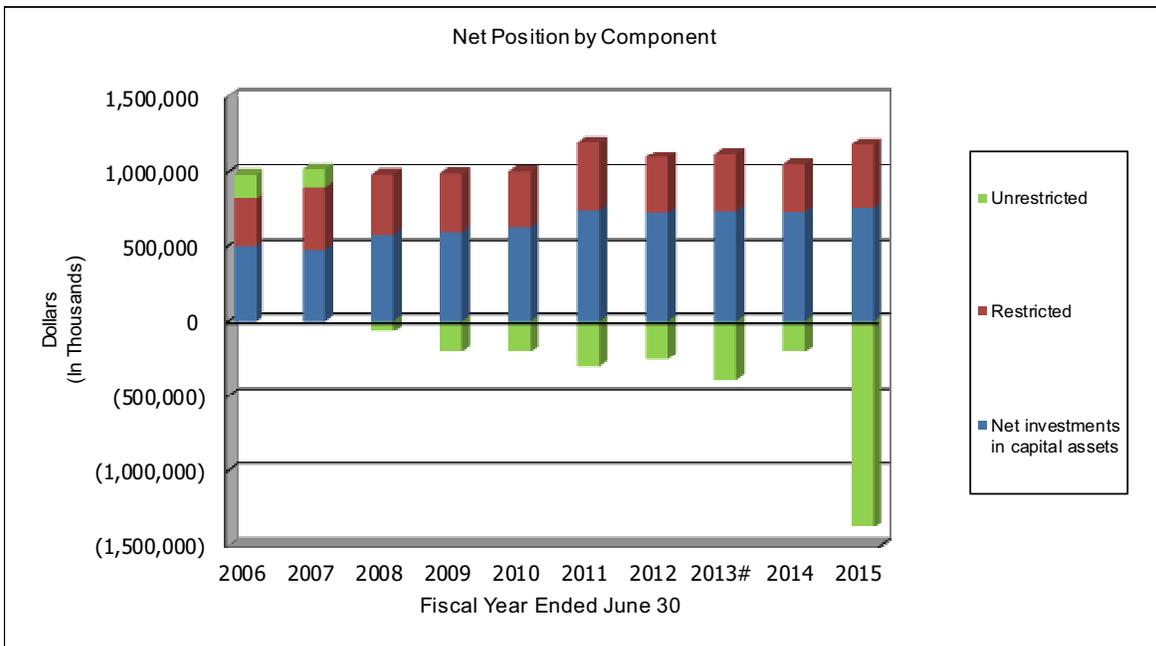
These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

Operating Information

These schedules contain service and capital asset data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.

COUNTY OF CONTRA COSTA
NET POSITION BY COMPONENT¹
 LAST TEN FISCAL YEARS
 (Accrual basis of accounting)
 (In Thousands)
 (Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013#	2014	2015
Governmental activities										
Net investment in capital assets ²	\$ 436,879	415,045	524,350	543,582	574,525	673,641	672,378	684,743	692,980	712,986
Restricted	309,387	401,842	380,563	369,912	361,709	431,646	358,796	382,997	317,075	424,030
Unrestricted	136,193	104,895	(75,238)	(203,042)	(209,290)	(341,145)	(297,523)	(433,332)	(260,330)	(1,232,686)
Total governmental activities net position	882,459	921,782	829,675	710,452	726,944	764,142	733,651	634,408	749,725	(95,670)
Business-type activities										
Net investment in capital assets	63,957	62,470	57,778	55,131	53,936	74,056	57,593	54,497	42,521	48,565
Restricted	14,242	18,483	24,591	26,121	14,177	16,360	10,535			
Unrestricted	23,257	17,559	10,487	5,157	9,616	41,289	40,900	39,991	60,032	(144,766)
Total business-type activities net position	101,456	98,512	92,856	86,409	77,729	131,705	109,028	94,488	102,553	(96,201)
Primary government										
Net investment in capital assets	500,836	477,515	582,128	598,713	628,461	747,697	729,971	739,240	735,501	761,551
Restricted	323,629	420,325	405,154	396,033	375,886	448,006	369,331	382,997	317,075	424,030
Unrestricted	159,450	122,454	(64,751)	(197,885)	(199,674)	(299,856)	(256,623)	(393,341)	(200,298)	(1,377,452)
Total primary government net position	\$ 983,915	1,020,294	922,531	796,861	804,673	895,847	842,679	728,896	852,278	(191,871)



¹ Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when an external party, such as a state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the county.

² Capital assets include land, easements, infrastructure, construction in progress, structures & improvements, intangibles, and equipment.

Revised

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA
CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (Accrual basis of accounting)
 (In Thousands)
 (Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013#	2014	2015
Expenses										
Governmental activities										
General government	\$ 166,470	165,911	211,224	199,218	213,086	169,789	158,709	153,960	177,482	138,979
Public protection	451,053	500,698	566,154	552,037	510,384	493,927	507,852	522,648	536,087	539,353
Health and sanitation	185,966	181,922	234,551	240,383	229,002	234,120	230,517	222,567	231,673	228,861
Public assistance	396,538	426,503	468,892	461,159	422,492	422,722	408,330	429,816	438,255	445,016
Education	22,647	25,452	30,040	28,983	24,868	23,335	23,288	23,508	23,188	22,867
Public ways and facilities	76,561	99,630	86,443	60,726	36,300	43,971	42,252	30,453	37,067	41,426
Recreation and culture	1,425	1,298	1,141	1,447	991	1,101	1,139	1,036	1,138	1,843
Interest on debt	55,532	81,243	73,873	61,239	56,651	53,477	52,033	42,850	40,797	36,353
Capital outlay										
Total governmental activities expenses	<u>1,356,192</u>	<u>1,482,657</u>	<u>1,672,318</u>	<u>1,605,192</u>	<u>1,493,774</u>	<u>1,442,442</u>	<u>1,424,120</u>	<u>1,426,838</u>	<u>1,485,687</u>	<u>1,454,698</u>
Business-type activities										
County Hospital	310,911	325,208	353,511	372,416	382,306	395,819	464,449	482,522	486,797	472,557
Airport	5,239	4,972	5,183	5,127	4,480	4,563	4,310	4,746	4,394	4,182
Sheriff Law Enforcement										
Training Center	1,319	1,504	1,331	1,266	1,219	1,202	1,347	1,382	1,456	1,370
Child Care Enterprise			6	12	31	68	59	35		
HMO Medi-Cal Plan	69,434	81,703	85,645	97,827	113,302	150,557	184,007	290,289	343,805	576,801
HMO Commercial Plan	83,654	90,646	100,855	112,316	92,789	114,232	136,726	120,423	102,258	86,207
Major risk medical insurance	1,625	1,892	1,288	1,013	1,026	1,047	803	1,208	744	422
Total business-type activities expenses	<u>472,182</u>	<u>505,925</u>	<u>547,819</u>	<u>589,977</u>	<u>595,153</u>	<u>667,488</u>	<u>791,701</u>	<u>900,605</u>	<u>939,454</u>	<u>1,141,539</u>
Total primary government expenses	<u>\$ 1,828,374</u>	<u>1,988,582</u>	<u>2,220,137</u>	<u>2,195,169</u>	<u>2,088,927</u>	<u>2,109,930</u>	<u>2,215,821</u>	<u>2,327,443</u>	<u>2,425,141</u>	<u>2,596,237</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 92,169	97,371	102,339	100,315	91,709	96,052	92,228	102,981	110,444	117,899
Public protection	137,069	140,065	135,403	130,270	141,489	130,956	117,274	121,439	122,238	121,529
Health and sanitation	64,221	64,449	65,823	76,938	79,166	81,333	80,941	76,448	84,029	88,885
Public assistance	1,898	2,323	3,068	2,242	6,597	4,110	3,647	3,431	2,539	2,205
Education	838	866	923	992	820	854	861	817	794	741
Public ways and facilities	28,971	22,240	28,133	14,100	10,440	15,841	4,022	5,517	7,559	13,250
Recreation and culture	108	144	214	117	262	21	10	14	87	40
Operating grants and contributions	631,510	660,371	673,571	622,097	663,766	661,239	639,592	693,133	721,594	750,821
Capital grants and contributions	5,726	8,970	21,797	19,943	38,400	25,372	23,089	14,444	15,738	22,385
Total governmental activities program revenues	<u>962,510</u>	<u>996,799</u>	<u>1,031,271</u>	<u>967,014</u>	<u>1,032,649</u>	<u>1,015,778</u>	<u>961,664</u>	<u>1,018,224</u>	<u>1,065,022</u>	<u>1,117,755</u>
Business-type activities										
Charges for services										
County Hospital	246,452	248,401	271,565	310,221	329,559	400,667	433,253	446,197	473,664	505,641
HMO Medi-Cal Plan	67,126	77,261	86,163	98,211	113,835	151,921	188,148	292,130	350,655	603,042
HMO Commercial Plan	65,111	62,010	65,246	68,845	62,744	63,631	63,508	65,098	78,423	83,200
Airport	3,107	3,321	3,433	3,446	3,459	3,482	3,528	3,730	3,842	4,019
Sheriff Law Enforcement										
Training Center	982	927	879	768	756	527	686	921	1,174	1,101
Major risk medical insurance	1,953	1,383	1,364	936	855	875	795	950	1,003	422
Operating grants and contributions	125,763	134,915	145,413	135,026	127,900	158,115	80,147	63,210	26,783	14,523
Capital grants and contributions	7,945	8,866	7,239	7,377	6,278	8,847	5,755	5,750	5,749	5,808
Total business-type activities program revenues	<u>518,439</u>	<u>537,084</u>	<u>581,302</u>	<u>624,830</u>	<u>645,386</u>	<u>788,065</u>	<u>775,820</u>	<u>877,986</u>	<u>941,293</u>	<u>1,217,756</u>
Total primary government program revenues	<u>\$ 1,480,949</u>	<u>1,533,883</u>	<u>1,612,573</u>	<u>1,591,844</u>	<u>1,678,035</u>	<u>1,803,843</u>	<u>1,737,484</u>	<u>1,896,210</u>	<u>2,006,315</u>	<u>2,335,511</u>
Net (Expense)/Revenue ¹										
Governmental activities	\$ (393,682)	(485,858)	(641,047)	(638,178)	(461,125)	(426,664)	(462,456)	(408,614)	(420,665)	(336,943)
Business-type activities	46,257	31,159	33,483	34,853	50,233	120,577	(15,881)	(22,619)	1,839	76,217
Total primary government net expense	<u>\$ (347,425)</u>	<u>(454,699)</u>	<u>(607,564)</u>	<u>(603,325)</u>	<u>(410,892)</u>	<u>(306,087)</u>	<u>(478,337)</u>	<u>(431,233)</u>	<u>(418,826)</u>	<u>(260,726)</u>

¹ Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

Revised

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

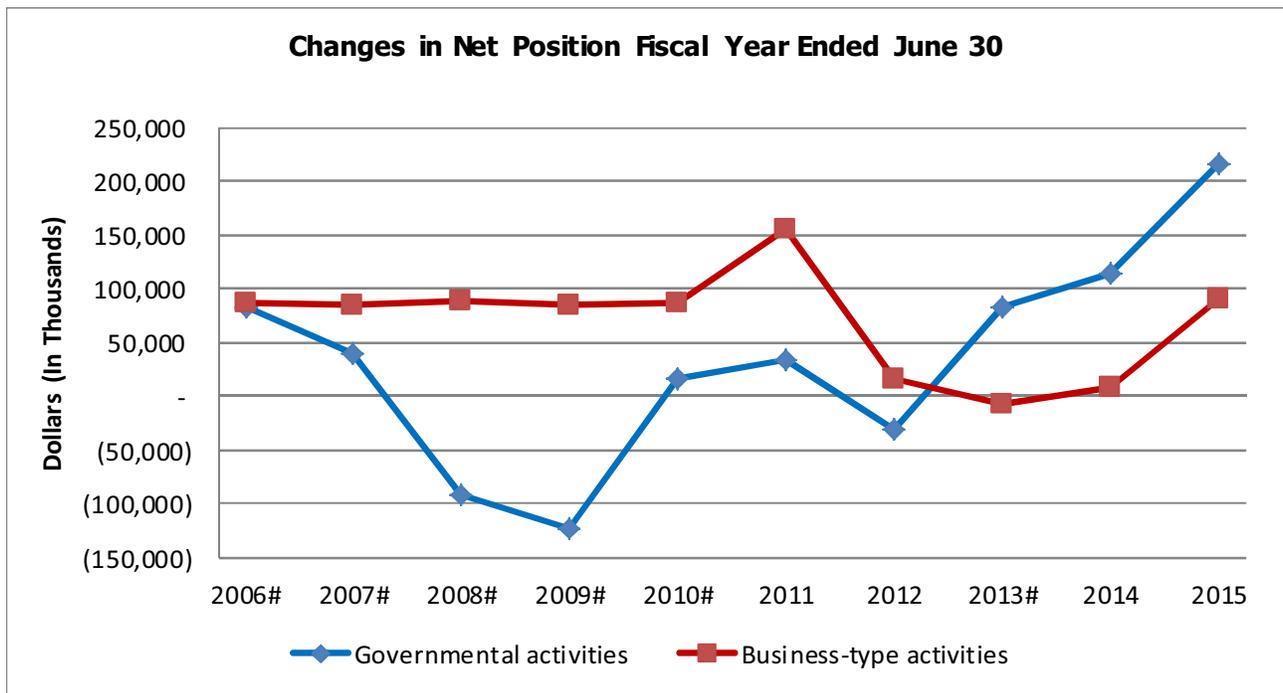
(continued)

COUNTY OF CONTRA COSTA
CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (Accrual basis of accounting)
 (In Thousands)
 (Unaudited)

	2006#	2007#	2008#	2009#	2010#	2011	2012	2013#	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property	\$ 386,558	437,658	459,739	451,180	418,001	400,719	395,191	396,751	423,121	459,850
Sales	12,175	13,064	14,073	13,444	12,957	14,026	13,191	14,766	15,813	14,328
Other	15,869	16,941	22,179	26,709	21,693	20,849	21,369	22,639	23,693	24,870
Grants/contributions not restricted	20,326	16,120	11,300	14,089	15,809	14,974	14,422	14,346	15,524	17,008
Investment earnings	48,254	62,024	60,239	47,051	34,033	30,927	53,419	34,950	34,950	34,741
Other	33,048	32,661	35,344	12,935	10,905	22,034	16,657	23,021	28,823	16,718
Net Extraordinary gain/(loss) ¹							(51,655)			
Transfers	(38,631)	(53,287)	(53,934)	(49,098)	(35,837)	(42,167)	(30,629)	(15,124)	(5,942)	(13,611)
Total governmental activities	<u>477,599</u>	<u>525,181</u>	<u>548,940</u>	<u>516,310</u>	<u>477,561</u>	<u>461,362</u>	<u>431,965</u>	<u>491,349</u>	<u>535,982</u>	<u>553,904</u>
Business-type activities										
Investment earnings	49	386	455	429	279	128				
Gain (loss) on sale of capital assets	(167)									
Other	1,841	1,082	1,746	987	749	2,204	1,164	304	284	413
Transfers	38,631	53,287	53,934	49,098	35,837	32,799	30,629	15,124	5,942	13,611
Total business-type activities	<u>40,354</u>	<u>54,755</u>	<u>56,135</u>	<u>50,514</u>	<u>36,865</u>	<u>35,131</u>	<u>31,792</u>	<u>15,428</u>	<u>6,226</u>	<u>14,024</u>
Total primary government	<u>\$ 517,953</u>	<u>\$ 579,936</u>	<u>\$ 605,075</u>	<u>\$ 566,824</u>	<u>\$ 514,426</u>	<u>\$ 496,493</u>	<u>\$ 463,758</u>	<u>\$ 506,777</u>	<u>\$ 542,208</u>	<u>\$ 567,928</u>
Change in Net Position										
Governmental activities	\$ 83,917	39,323	(92,107)	(121,868)	16,436	34,698	(30,491)	82,735	115,317	216,961
Business-type activities	86,611	85,914	89,618	85,367	87,098	155,708	15,912	(7,191)	8,065	90,241
Total primary government	<u>\$ 170,528</u>	<u>\$ 125,237</u>	<u>\$ (2,489)</u>	<u>\$ (36,501)</u>	<u>\$ 103,534</u>	<u>\$ 190,406</u>	<u>\$ (14,579)</u>	<u>\$ 75,544</u>	<u>\$ 123,382</u>	<u>\$ 307,202</u>

Revised

Source: Comprehensive Annual Financial Report - County of Contra Costa, California



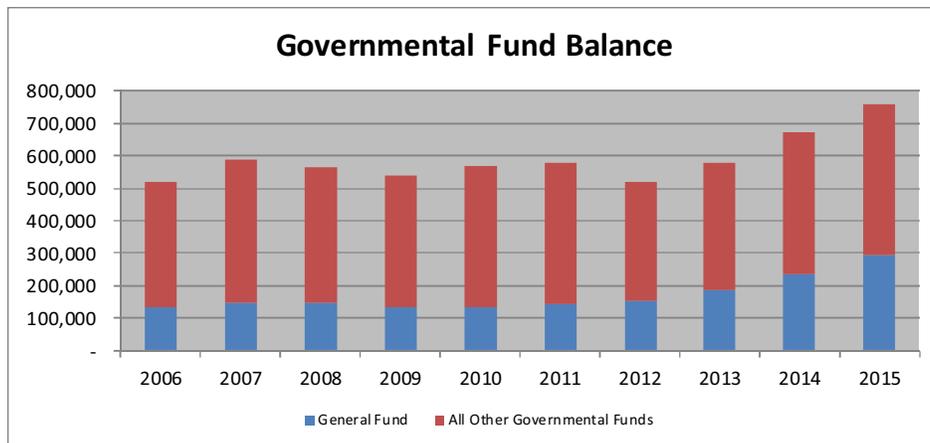
¹ On December 29, 2011, the California State Supreme Court upheld Assembly Bill 1X 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the county's reporting entity, which reported the activities of the former Contra Costa County Redevelopment Agency through January 31, 2012, causing an extraordinary loss.

(concluded)

COUNTY OF CONTRA COSTA
FUND BALANCES OF GOVERNMENTAL FUNDS¹
 LAST TEN FISCAL YEARS
 (Modified accrual basis of accounting)
 (In Thousands)
 (Unaudited)

	Fiscal Year Ending June 30			
	2006	2007	2008	2009
General Fund				
Reserved	\$ 35,764	33,003	24,098	25,464
Unreserved	99,374	116,113	121,516	105,260
Total general fund	<u>135,138</u>	<u>149,116</u>	<u>145,614</u>	<u>130,724</u>
All Other Governmental Funds				
Reserved				
Special Revenue Funds	20,533	28,086	49,997	47,315
Capital Projects Funds	59,233	82,021	62,182	55,016
Debt Service Funds	8,198	33,306	31,306	36,722
Permanent Funds	1,828	1,800	1,770	1,749
Total Reserved	<u>89,792</u>	<u>145,213</u>	<u>145,255</u>	<u>140,802</u>
Unreserved				
Special Revenue Funds	260,264	280,208	269,570	254,668
Capital Projects Funds	8,158	11,969	5,169	13,529
Debt Service Funds	24,390			
Total Unreserved	<u>292,812</u>	<u>292,177</u>	<u>274,739</u>	<u>268,197</u>
Total all other governmental funds	<u>382,604</u>	<u>437,390</u>	<u>419,994</u>	<u>408,999</u>
Total Governmental Funds				
Total Reserved	125,556	178,216	169,353	166,266
Total Unreserved	392,186	408,290	396,255	373,457
Total governmental funds	<u>\$ 517,742</u>	<u>586,506</u>	<u>565,608</u>	<u>539,723</u>

	Fiscal Year Ending June 30					
	2010	2011	2012	2013	2014	2015
General Fund						
Nonspendable	\$ 18,460	9,387	16,474	6,103	7,946	10,764
Restricted	3,900	10,696	6,388	6,798	7,254	9,013
Committed	12,750	14,277	711	1,335	1,575	1,508
Assigned	30,287	31,941	47,246	57,754	78,136	94,169
Unassigned	67,972	76,371	81,541	115,518	142,293	179,883
Total general fund	<u>133,369</u>	<u>142,672</u>	<u>152,360</u>	<u>187,508</u>	<u>237,204</u>	<u>295,337</u>
All Other Governmental Funds						
Nonspendable	2,606	9,301	14,453	13,337	4,164	4,948
Restricted	389,452	397,478	346,926	361,481	391,569	395,849
Committed	7,700	13,646	353	324	342	342
Assigned	36,311	25,403	18,633	25,056	41,272	65,263
Unassigned	(141)	(9,291)	(12,391)	(7,851)	(776)	
Total all other governmental funds	<u>435,928</u>	<u>436,537</u>	<u>367,974</u>	<u>392,347</u>	<u>436,571</u>	<u>466,402</u>
Total Governmental Funds						
Nonspendable	21,066	18,688	30,927	19,440	12,110	15,712
Restricted	393,352	408,174	353,314	368,279	398,823	404,862
Committed	20,450	27,923	1,064	1,659	1,917	1,850
Assigned	66,598	57,344	65,879	82,810	119,408	159,432
Unassigned	67,831	67,080	69,150	107,667	141,517	179,883
Total governmental funds	<u>\$ 569,297</u>	<u>579,209</u>	<u>520,334</u>	<u>579,855</u>	<u>673,775</u>	<u>761,739</u>



¹The county has implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned as opposed to reserved and unreserved.
 Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified accrual basis of accounting)
 (In Thousands)
 (Unaudited)

	Fiscal Year Ending June 30			
	2006	2007	2008	2009
Revenues:				
Taxes	\$ 434,930	484,472	508,058	505,424
Licenses, permits and franchise fees	38,992	43,018	29,853	25,485
Fines, forfeitures and penalties	18,651	18,300	29,430	19,604
Use of money and property	46,575	57,908	59,829	39,610
Intergovernmental	637,179	669,343	689,528	642,158
Charges for services	267,633	265,453	275,699	279,693
Other revenue	119,585	144,858	141,007	157,295
Total revenues	<u>1,563,545</u>	<u>1,683,352</u>	<u>1,733,404</u>	<u>1,669,269</u>
Expenditures:				
Current:				
General government	148,201	195,909	176,350	173,240
Public protection	494,005	551,970	575,163	560,416
Health and sanitation	191,505	190,749	206,942	219,008
Public assistance	418,521	445,690	473,525	459,552
Education	22,679	25,863	26,394	27,261
Public ways and facilities	107,005	137,726	141,684	121,152
Recreation and culture	1,439	1,642	1,076	1,553
Debt service:				
Principal	33,775	62,335	38,417	43,038
Debt issuance cost	1,267	3,314	363	326
Interest	53,131	57,535	64,265	61,099
Other charges	3,726	1,539		
Total expenditures	<u>1,475,254</u>	<u>1,674,272</u>	<u>1,704,179</u>	<u>1,666,645</u>
Excess of revenues over (under) expenditures	<u>88,291</u>	<u>9,080</u>	<u>29,225</u>	<u>2,624</u>
Other Financing Sources (Uses):				
Transfers in	76,985	60,957	73,094	84,199
Transfers out	(117,605)	(116,239)	(126,926)	(138,458)
Proceeds from issuance of debt transferred to business-type activities	129,900	222,685	36,617	23,121
Proceeds on issuance of debt transferred to the investment trust funds			(526)	
Premium on debt issued		7,701	1,930	
Payment to retirement trustee	(124,904)	(118,998)		
Payment to refunded bond escrow agent				
Capital lease financing	1,705	3,578	2,375	2,629
Total other financing sources (uses)	<u>(33,919)</u>	<u>59,684</u>	<u>(50,123)</u>	<u>(28,509)</u>
Net Extraordinary gain/(loss)				
Net change in fund balances	<u>54,372</u>	<u>68,764</u>	<u>(20,898)</u>	<u>(25,885)</u>
Fund Balances at Beginning of Year	463,370	517,742	586,506	565,608
Fund Balances at End of Year	<u>\$ 517,742</u>	<u>586,506</u>	<u>565,608</u>	<u>539,723</u>
Debt Service:				
Principal	\$ 33,775	62,335	38,417	43,038
Interest	53,131	57,535	64,265	61,099
Total Debt Service	<u>\$ 86,906</u>	<u>119,870</u>	<u>102,682</u>	<u>104,137</u>
NonCapital Expenditures:				
Total Expenditures	\$ 1,475,254	1,674,272	1,704,179	1,666,645
Function Expenditures	42,688	63,519	106,522	68,522
Total NonCapital Expenditures	<u>\$ 1,432,566</u>	<u>1,610,753</u>	<u>1,597,657</u>	<u>1,598,123</u>
Debt service as a percentage of noncapital expenditures	6.07%	7.44%	6.43%	6.52%

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

2010	2011	2012	2013	2014	2015
468,458	449,671	443,281	448,502	478,153	516,057
21,458	24,291	21,662	23,314	27,471	29,199
18,717	23,430	21,754	35,757	37,277	34,363
30,805	27,857	50,481	33,837	34,047	33,000
705,292	688,868	664,600	709,009	737,940	773,249
277,710	279,188	253,648	249,994	262,329	280,945
122,008	125,305	183,233	254,513	288,783	291,671
<u>1,644,448</u>	<u>1,618,610</u>	<u>1,638,659</u>	<u>1,754,926</u>	<u>1,866,000</u>	<u>1,958,484</u>
137,431	146,106	135,497	138,361	150,770	164,140
541,064	521,664	553,699	569,496	594,366	656,473
222,252	230,233	224,990	264,214	291,820	304,913
444,916	448,569	468,310	495,515	513,200	538,796
25,449	22,737	22,692	22,998	22,941	24,773
98,056	93,138	79,157	75,422	79,763	97,025
1,166	1,239	1,121	878	1,104	1,736
52,352	71,469	84,028	69,304	73,360	45,123
	258		238		
56,047	53,163	49,575	45,169	40,774	36,302
<u>1,578,733</u>	<u>1,588,576</u>	<u>1,619,069</u>	<u>1,681,595</u>	<u>1,768,098</u>	<u>1,869,281</u>
65,715	30,034	19,590	73,331	97,902	89,203
85,401	90,092	114,858	77,722	89,272	48,132
(121,542)	(128,355)	(145,411)	(92,758)	(95,068)	(61,662)
	16,808	262	5,619		
		3,120			
	389		20		
			(5,721)		
	944	361	1,308	1,814	12,291
<u>(36,141)</u>	<u>(20,122)</u>	<u>(26,810)</u>	<u>(13,810)</u>	<u>(3,982)</u>	<u>(1,239)</u>
		(51,655)			
<u>29,574</u>	<u>9,912</u>	<u>(58,875)</u>	<u>59,521</u>	<u>93,920</u>	<u>87,964</u>
539,723	569,297	579,209	520,334	579,855	673,775
<u>569,297</u>	<u>579,209</u>	<u>520,334</u>	<u>579,855</u>	<u>673,775</u>	<u>761,739</u>
52,352	71,469	84,028	69,304	73,360	45,123
56,047	53,163	49,575	45,169	40,774	36,302
<u>108,399</u>	<u>124,632</u>	<u>133,603</u>	<u>114,473</u>	<u>114,134</u>	<u>81,425</u>
1,578,733	1,588,576	1,619,069	1,681,595	1,768,098	1,869,281
59,545	41,488	47,599	38,304	43,909	60,091
<u>1,519,188</u>	<u>1,547,088</u>	<u>1,571,470</u>	<u>1,643,291</u>	<u>1,724,189</u>	<u>1,809,190</u>
7.14%	8.06%	8.50%	6.97%	6.62%	4.50%

COUNTY OF CONTRA COSTA
PROGRAM REVENUES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Accrual basis of accounting)
 (In Thousands)
 (Unaudited)

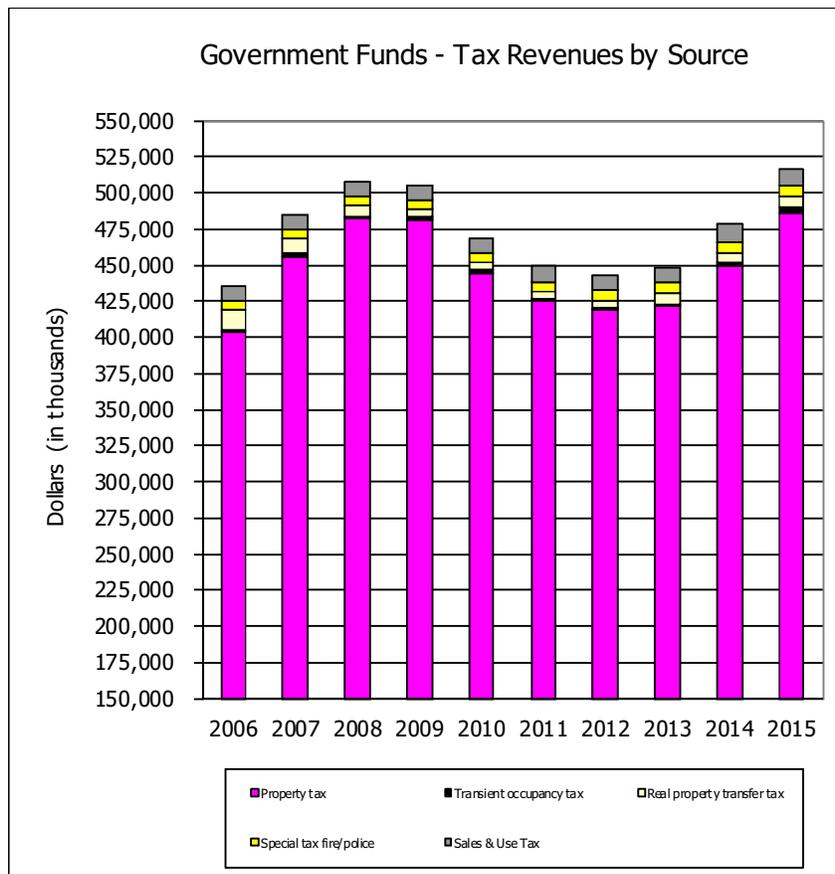
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities - program revenues										
Charges for services										
General government	\$ 92,169	97,371	102,339	100,315	91,709	96,052	92,228	102,981	110,444	117,899
Public Protection	137,069	140,065	135,403	130,270	141,489	130,956	117,274	121,439	122,238	121,529
Health and sanitation	64,221	64,449	65,823	76,938	79,166	81,333	80,941	76,448	84,029	88,885
Public assistance	1,898	2,323	3,068	2,242	6,597	4,110	3,647	3,431	2,539	2,205
Education	838	866	923	992	820	854	861	817	794	741
Public ways and facilities	28,971	22,240	28,133	14,100	10,440	15,841	4,022	5,517	7,559	13,250
Recreation and culture	108	144	214	117	262	21	10	14	87	40
Subtotal	<u>325,274</u>	<u>327,458</u>	<u>335,903</u>	<u>324,974</u>	<u>330,483</u>	<u>329,167</u>	<u>298,983</u>	<u>310,647</u>	<u>327,690</u>	<u>344,549</u>
Operating grants and contributions										
General government	20,264	11,151	13,386	11,148	12,525	11,286	7,434	4,427	6,283	17,575
Public protection	128,668	135,827	130,103	122,280	120,794	130,129	152,808	174,031	182,559	183,588
Health and sanitation	90,928	94,059	111,516	97,607	147,891	126,456	106,428	110,564	101,623	103,795
Public assistance	364,668	371,183	372,251	371,390	369,877	381,964	362,453	398,985	423,051	440,166
Education	3,229	4,055	3,642	3,423	4,201	3,848	2,684	2,674	2,760	2,798
Public ways and facilities	23,742	43,389	42,591	16,095	8,467	7,482	7,774	2,440	5,110	2,807
Recreation and culture	11	707	82	154	11	74	11	12	208	92
Subtotal	<u>631,510</u>	<u>660,371</u>	<u>673,571</u>	<u>622,097</u>	<u>663,766</u>	<u>661,239</u>	<u>639,592</u>	<u>693,133</u>	<u>721,594</u>	<u>750,821</u>
Capital grants and contributions										
General government								148		
Public protection	12	12								
Public ways and facilities	5,714	8,958	21,797	19,943	38,400	25,372	23,089	14,296	15,738	22,385
Subtotal	<u>5,726</u>	<u>8,970</u>	<u>21,797</u>	<u>19,943</u>	<u>38,400</u>	<u>25,372</u>	<u>23,089</u>	<u>14,444</u>	<u>15,738</u>	<u>22,385</u>
Total governmental activities program revenues	<u>962,510</u>	<u>996,799</u>	<u>1,031,271</u>	<u>967,014</u>	<u>1,032,649</u>	<u>1,015,778</u>	<u>961,664</u>	<u>1,018,224</u>	<u>1,065,022</u>	<u>1,117,755</u>
Business-type activities program revenues										
Charges for services										
County Hospital	246,452	248,401	271,565	310,221	329,559	400,667	433,253	446,197	473,664	505,641
HMO Medi-Cal Plan	67,126	77,261	86,163	98,211	113,835	151,921	188,148	292,130	350,655	603,042
HMO Commercial Plan	65,111	62,010	65,246	68,845	62,744	63,631	63,508	65,098	78,423	83,200
Airport	3,107	3,321	3,433	3,446	3,459	3,482	3,528	3,730	3,842	4,019
Sheriff Law Enforcement Training Center	982	927	879	768	756	527	686	921	1,174	1,101
Major risk medical insurance	1,953	1,383	1,364	936	855	875	795	950	1,003	422
Subtotal	<u>384,731</u>	<u>393,303</u>	<u>428,650</u>	<u>482,427</u>	<u>511,208</u>	<u>621,103</u>	<u>689,918</u>	<u>809,026</u>	<u>908,761</u>	<u>1,197,425</u>
Operating grants and contributions										
County Hospital	21,387	20,995	22,604	9,257	18,662	9,542	8,947	7,800	5,289	13,963
HMO Commercial Plan	14,181	24,819	30,117	38,157	27,269	46,764	69,866	52,333	21,224	92
Airport	426	1,813	222	326	71	65	1,137	2,850	70	97
Sheriff Law Enforcement Training Center	212	391	237	239	214	216	197	227	200	371
Subtotal	<u>36,206</u>	<u>48,018</u>	<u>53,180</u>	<u>47,979</u>	<u>46,216</u>	<u>56,587</u>	<u>80,147</u>	<u>63,210</u>	<u>26,783</u>	<u>14,523</u>
Capital grants and contributions										
County Hospital	5,171	7,677	5,941	6,428	5,289	5,764	5,755	5,750	5,749	5,808
Subtotal	<u>5,171</u>	<u>7,677</u>	<u>5,941</u>	<u>6,428</u>	<u>5,289</u>	<u>5,764</u>	<u>5,755</u>	<u>5,750</u>	<u>5,749</u>	<u>5,808</u>
Total business-type activities program revenues	<u>426,108</u>	<u>448,998</u>	<u>487,771</u>	<u>536,834</u>	<u>562,713</u>	<u>683,454</u>	<u>775,820</u>	<u>877,986</u>	<u>941,293</u>	<u>1,217,756</u>
Total primary government program revenues	\$ <u>1,388,618</u>	<u>1,445,797</u>	<u>1,519,042</u>	<u>1,503,848</u>	<u>1,595,362</u>	<u>1,699,232</u>	<u>1,737,484</u>	<u>1,896,210</u>	<u>2,006,315</u>	<u>2,335,511</u>

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA
GOVERNMENT FUNDS - TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (Modified accrual basis of accounting)
 (In Thousands)
 (Unaudited)

Fiscal Year Ended	Property Tax	Transient Occupancy Tax	Real Property Transfer Tax	Special Tax Fire/Police	Sales & Use Tax	Total
2006 \$	403,919	1,344	14,043	5,924	9,700	434,930
2007	456,104	1,872	10,427	6,279	9,790	484,472
2008	482,396	1,777	6,664	6,893	10,328	508,058
2009 #	481,325	1,844	5,248	7,007	10,000	505,424
2010	444,458	1,906	5,341	7,093	9,660	468,458
2011	424,799	1,439	5,196	7,101	11,136	449,671
2012	418,472	1,836	5,472	7,219	10,282	443,281
2013	421,176	2,171	6,724	7,393	11,038	448,502
2014	448,923	2,435	7,427	7,434	11,934	478,153
2015	486,697	2,820	8,332	7,490	10,717	516,057

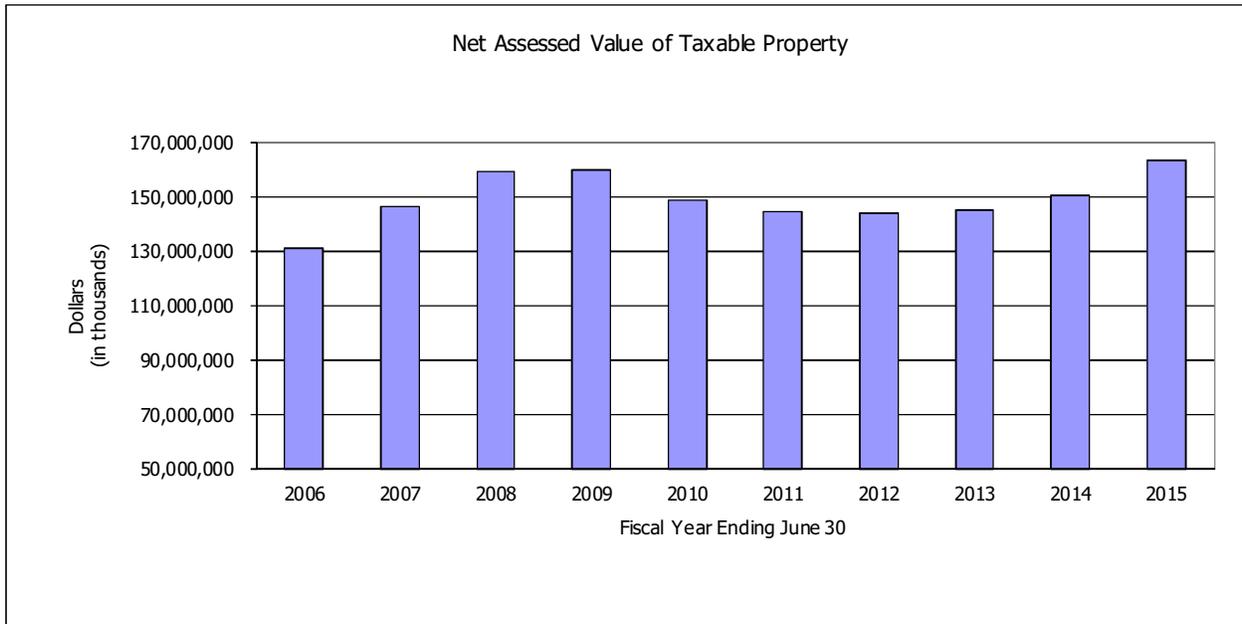
Revised



Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA
ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (In Thousands)
 (Unaudited)

Fiscal Year Ended June 30	Assessed Value ¹					Net Increase (Decrease)		
	Real Property	Personal Property	Total	Exemptions	Net Assessed Value of Taxable Property	Total Direct Tax Rate	Amount	Percentage
2006	\$ 129,995,795 #	3,698,247 #	133,694,042	2,641,278 #	131,052,764 #	1.00	12,367,749 #	10.42 %
2007	145,844,300	3,408,666	149,252,966	2,845,728 #	146,407,238 #	1.00	15,354,474 #	11.72
2008	158,953,496	3,592,778	162,546,274	3,215,939 #	159,330,335 #	1.00	12,923,097 #	8.83
2009	159,825,416	3,714,884	163,540,300	3,721,464	159,818,836	1.00	488,501 #	0.31
2010	149,232,578	3,518,009	152,750,587	4,106,372	148,644,215	1.00	(11,174,621)	(6.99)
2011	145,251,206	3,388,408	148,639,614	4,495,004	144,144,610	1.00	(4,499,605)	(3.03)
2012	144,914,804	3,464,048	148,378,852	4,756,022	143,622,830	1.00	(521,780)	(0.36)
2013	146,175,023	3,550,351	149,725,374	4,916,847	144,808,527	1.00	1,185,697	0.83
2014	152,094,496	3,117,109	155,211,605	5,081,776	150,129,829	1.00	5,321,302	3.67
2015	165,375,782	3,381,581	168,757,363	5,245,692	163,511,671	1.00	13,381,842	8.91



Revised

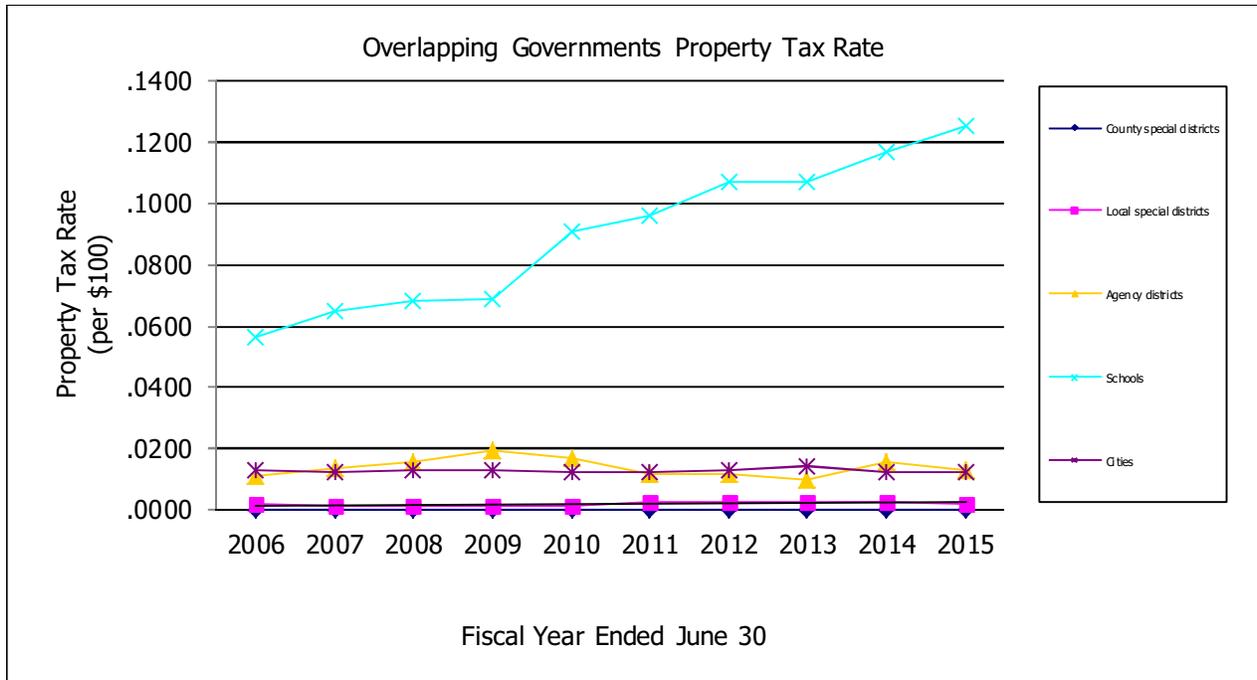
¹ Assessed values are those defined under California Revenue and Taxation Code Sections: 601 and 721 et. seq. Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased:

- a) to reflect annual inflation up to 2 percent;
- b) to reflect current market value at time of ownership change; and
- c) to reflect market value for new construction.

Source: Office of the Auditor-Controller - Property Tax Division - County of Contra Costa, California

COUNTY OF CONTRA COSTA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year Ended June 30	Countywide Rate ¹			County Special Districts	Local Special Districts	Agency Districts	Schools	Cities	Total
	County	Other	Total						
2006	.1337	.8663	1.0000	.0000	.0017	.0107	.0564	.0127	1.0815
2007	.1329	.8671	1.0000	.0000	.0014	.0137	.0649	.0126	1.0926
2008	.1330	.8670	1.0000	.0000	.0013	.0158	.0684	.0130	1.0985
2009	.1330	.8670	1.0000	.0000	.0013	.0192	.0691	.0131	1.1027
2010	.1334	.8666	1.0000	.0000	.0015	.0167	.0911	.0126	1.1219
2011	.1331	.8669	1.0000	.0000	.0024	.0117	.0959	.0121	1.1221
2012	.1336	.8664	1.0000	.0000	.0026	.0114	.1070	.0127	1.1337
2013	.1338	.8662	1.0000	.0000	.0024	.0096	.1070	.0144	1.1334
2014	.1336	.8664	1.0000	.0000	.0024	.0155	.1168	.0122	1.1469
2015	.1328	.8672	1.0000	.0000	.0021	.0131	.1254	.0125	1.1531

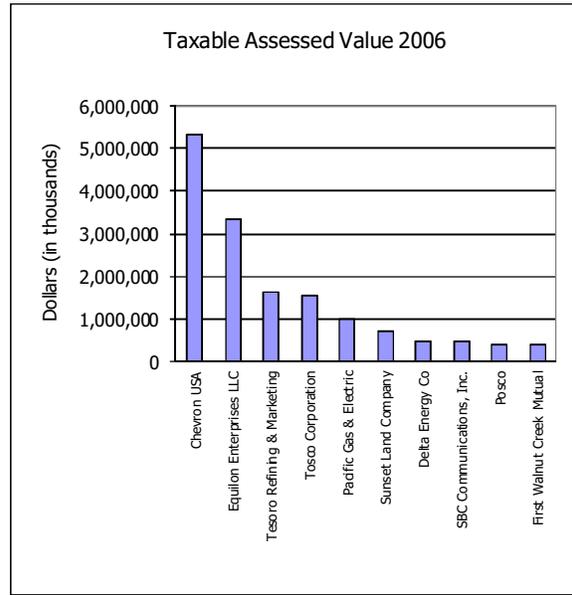
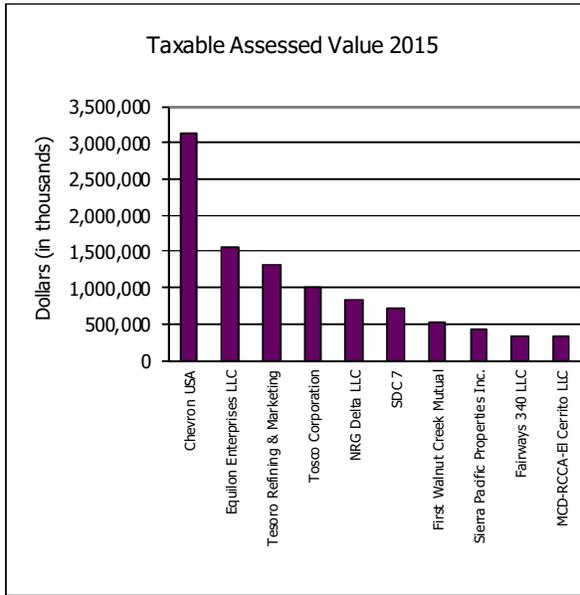


¹ In June 1978, California voters approved Proposition 13 which restricted the taxing power of local government agencies. Individual agencies do not establish their own property tax rates, except for voter approved indebtedness. Instead, a countywide rate is levied with the proceeds distributed to all agencies according to formulas specified by the state legislature. The countywide rate is 1 percent of assessed value (\$1 per \$100 of taxable assessed valuation). The rates shown above are allocations of the 1% tax on assessed valuation.

Source: Office of the Auditor-Controller - Property Tax Division - County of Contra Costa, California

COUNTY OF CONTRA COSTA
PRINCIPAL PROPERTY TAXPAYERS
RANKED BY ASSESSED VALUE ¹
 CURRENT YEAR AND NINE YEARS AGO
 (In Thousands)
 (Unaudited)

Taxpayers	Fiscal Year Ended June 30, 2015			Fiscal Year Ended June 30, 2006		
	Taxable Assessed Value Secured and Unitary	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value Secured and Unitary	Rank	Percentage of Taxable Assessed Value
Chevron USA	\$ 3,130,185	1	2.25 %	\$ 5,335,671	1	4.31 %
Equilon Enterprises LLC	1,557,464	2	0.99	3,348,828	2	2.70
Tesoro Refining & Marketing	1,308,207	3	0.83	1,611,115	3	1.30
Tosco Corporation	991,047	4	0.63	1,547,328	4	1.25
NRG Delta LLC	823,896	5	0.53			
SDC 7	701,572	6	0.45			
First Walnut Creek Mutual	521,434	7	0.33	401,015	10	0.32
Sierra Pacific Properties Inc.	426,368	8	0.27			
Fairways 340 LLC	336,382	9	0.21			
MCD-RCCA-El Cerrito LLC	319,869	10	0.20			
Pacific Gas & Electric				982,301	5	0.79
Sunset Land Company				698,878	6	0.56
Delta Energy Co				476,200	7	0.38
SBC Communications, Inc.				465,893	8	0.38
Posco				411,890	9	0.33
Total	\$ 10,116,424		6.69 %	\$ 15,279,119		12.32 %



¹Beginning in fiscal year 2003-2004 a refined methodology was used to determine the principal taxpayers. The assessed value of the property of all of a listed taxpayer's component entities are included. Also, ranking is based on assessed valuation which may be different from taxes paid due to special purpose levies paid by some taxpayers.

Source: Office of the Treasurer-Tax Collector - County of Contra Costa, California

COUNTY OF CONTRA COSTA
PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS
 (In Thousands)
 (Unaudited)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year [#]	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years [#]	Total Collections to Date	
		Amount [#]	Percentage of Levy [#]		Amount [#]	Percentage of Levy [#]
2006	\$ 1,720,978	1,685,279	97.93 %	\$ 35,380	\$ 1,720,659	99.98 %
2007	1,967,771	1,886,919	95.89	80,328	1,967,247	99.97
2008	2,077,283	1,971,251	94.90	105,163	2,076,414	99.96
2009	2,061,930	1,975,895	95.83	84,386	2,060,281	99.92
2010	1,964,724	1,909,306	97.18	53,318	1,962,624	99.89
2011	1,932,504	1,896,819	98.15	32,419	1,929,238	99.83
2012	1,973,646	1,918,653	97.21	50,606	1,969,259	99.78
2013	1,974,838	1,953,215	98.91	16,222	1,969,437	99.73
2014	2,092,732	2,072,121	99.02	13,293	2,085,414	99.65
2015	2,286,998	2,266,716	99.11		2,266,716	99.11

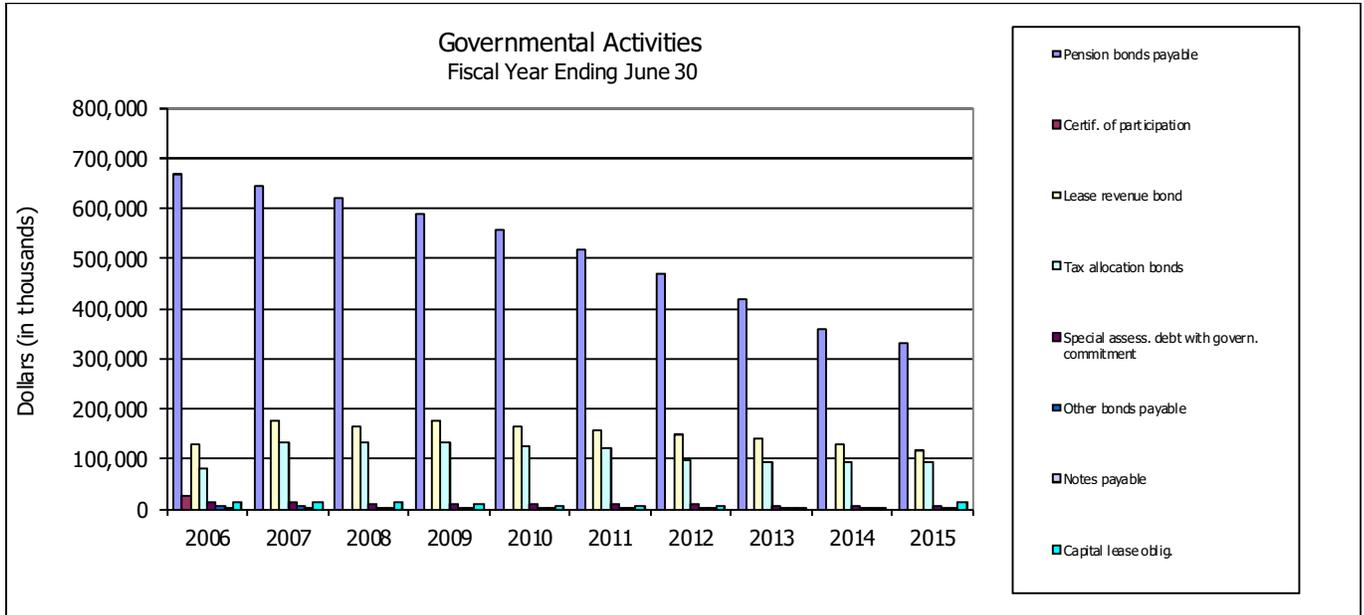
Revised

Source: Office of the Auditor-Controller - Property Tax Division - County of Contra Costa, California

COUNTY OF CONTRA COSTA
OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS
 (In Thousands)
 (Unaudited)

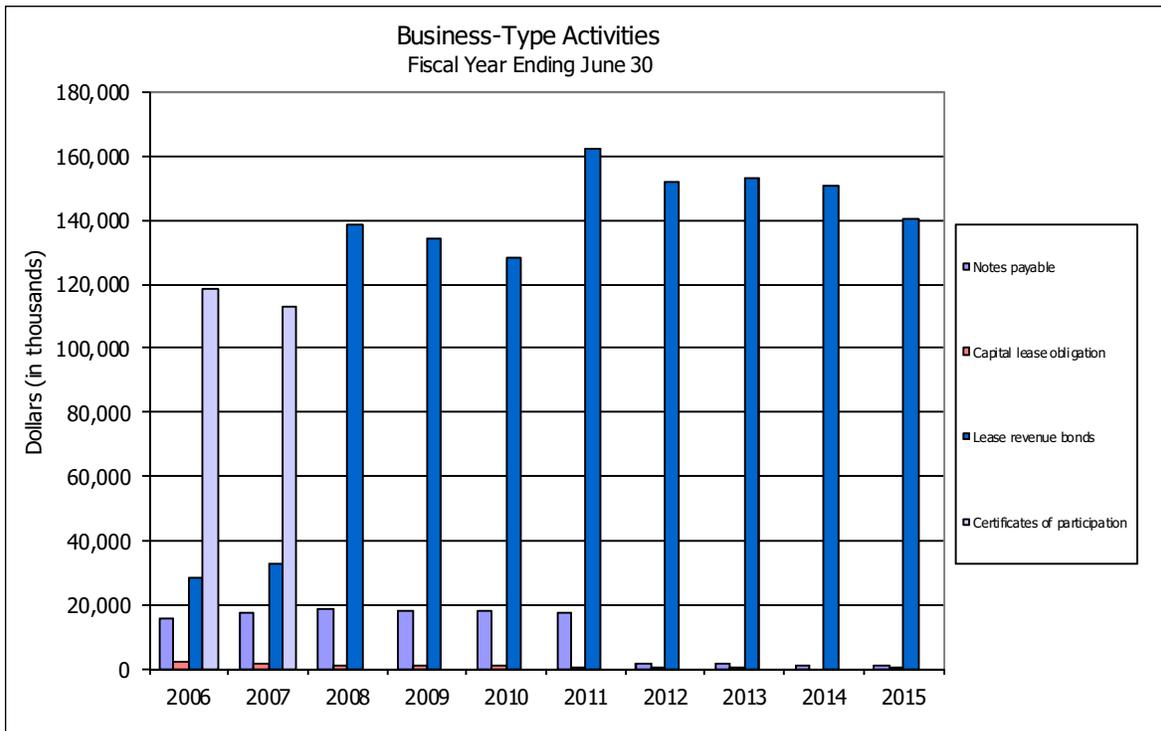
Governmental Activities

Fiscal Year Ended June 30 ¹	Pension Bonds Payable	Certif. of Participation	Lease Revenue Bonds	Tax Allocation Bonds	Special Assess. Debt with Govern. Commitment	Other Bonds Payable	Notes Payable	Capital Lease Oblig.	Total
2006	\$ 666,905	27,008	127,766	81,935	13,213	4,585	339	12,646	934,397
2007	643,990		174,633	133,105	12,389	4,015	788	13,444	982,364
2008	619,135		162,386	132,290	11,740	3,650	1,482	12,478	943,161
2009	588,920		176,084	130,880	11,075	3,260	1,384	11,680	923,283
2010	555,490		166,333	123,750	10,395	2,855	1,332	7,558	867,713
2011	516,080		155,554	121,535	9,494	2,495	1,312	5,554	812,024
2012	470,090		148,291	96,270	8,623	2,110	1,495	4,087	730,966
2013	416,295		139,249	92,633	7,580	1,705	1,409	3,801	662,672
2014	358,445		128,989	93,930	6,911	1,285	1,276	3,778	594,614
2015	329,725		116,889	91,821	6,087	885	1,146	13,098	559,651



Business-Type Activities

Fiscal Year Ended June 30 ¹	Notes Payable	Capital Lease Obligation	Lease Revenue Bonds	Certificates of Participation	Total	Government Total	Ratio Debt to Net Assessed Value	Percentage of Personal Income ²	Net Debt Per Capita [#]
2006	\$ 15,651	2,281	28,689	118,307	164,928	1,099,325	0.84 %	1.99 %	1,072
2007	17,255	1,899	33,037	112,845	165,036	1,147,400	0.78	1.98	1,108
2008	18,563	1,346	138,319		158,228	1,101,389	0.69	1.84	1,051
2009	18,246	1,083	134,293		153,622	1,076,905	0.67	1.93	1,015
2010	17,922	939	127,945		146,806	1,014,519	0.68	1.76	945
2011	17,565	630	162,552		180,747	992,771	0.69	1.63	940
2012	1,577	304	152,103		153,984	884,950	0.62	1.33	830
2013	1,456	104	153,371		154,931	817,603	0.56	1.18	761
2014	1,327		150,823		152,150	746,764	0.50	N/A	687
2015	1,193	227	140,292		141,712	701,363	0.43	N/A	636



¹ Effective 2013, presentation of outstanding debt by type is net of associated premiums, discounts, and deferred amounts on refunding.

² Ratios are calculated using personal income and population data shown in the schedule of Demographic and Economic statistics.

[#] Revised

N/A Not Available

Source: Comprehensive Annual Financial Reports - County of Contra Costa, California

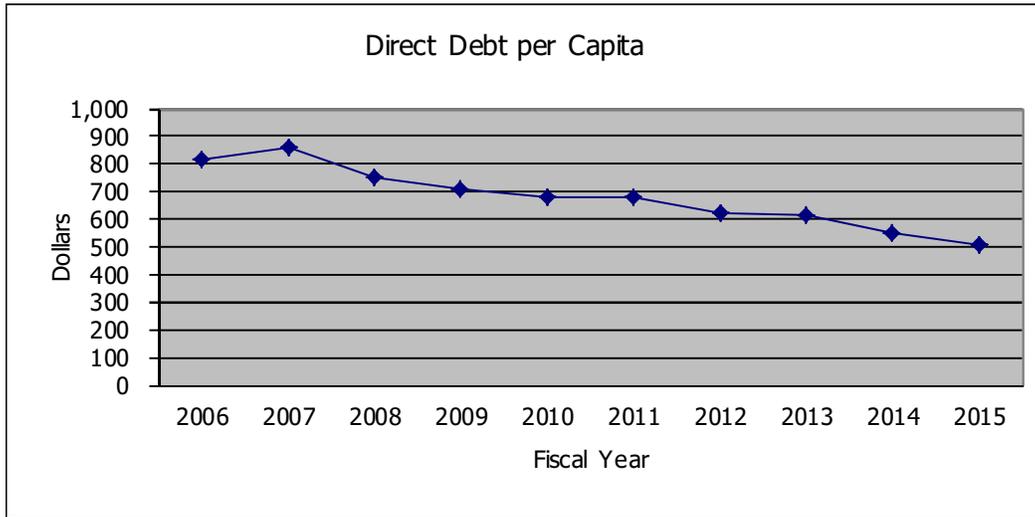
COUNTY OF CONTRA COSTA
DIRECT AND OVERLAPPING BOND DEBT
(In Thousands)
(Unaudited)

	Debt Applicable July 1, 2015 ¹	
	Percentage	Amount
2014-2015 Assessed Value of Taxable Property (includes unitary utility valuation)		\$ 163,511,671
Less: Redevelopment Dissolution Increments		17,003,805
Adjusted Assessed Valuation		\$ 146,507,866
DIRECT GENERAL FUND OBLIGATION DEBT:		
Contra Costa County Pension Obligations	100	\$ 329,725
Lease Revenue Bond	100	116,889
Tax Allocation Bonds	100	91,821
Special Assessment Debt with Governmental Commitment	100	6,087
Other Bonds Payable	100	885
Notes Payable	100	1,146
Capital Lease Obligation	100	13,098
TOTAL DIRECT DEBT		559,651
OVERLAPPING GENERAL FUND OBLIGATIONS DEBT		
City of Richmond General Fund Obligations	100	129,490
City of Richmond Pension Obligations	100	96,874
Contra Costa County Fire Protection District Pension Obligation	100	92,805
Other Cities' General Fund Obligations	100	101,532
City of Brentwood General Fund Obligations	100	5,950
Pittsburg Unified School District Certificates of Participation	100	22,900
City of Pittsburg Pension Obligations	100	37,371
City of San Ramon General Fund and Pension Obligations	100	26,745
City of Concord General Fund Obligations	100	2,810
Antioch Unified School District Certificates of Participation	100	45,346
West Contra Costa Unified School District General Fund Obligation	100	6,835
San Ramon Valley Fire Protection District Certificates of Participation	100	14,616
Other School Districts' General Fund Obligations	100	2,293
Alameda-Contra Costa Transit District Certificates of Participation	10.341	2,564
Other Special District Certificates of Participation	Various	2,964
San Ramon Valley School District General Fund Obligations	100	19,795
Moraga-Orinda Fire Protection District Pension Obligation	100	20,420
Total Overlapping General Fund Obligations Debt		631,310
OVERLAPPING TAX AND ASSESSMENT DEBT:		
West Contra Costa Unified School District	100	996,921
1915 Act Assessment Bonds (Estimate)	100	304,556
Community Facilities Districts	100	176,554
San Ramon Valley Unified School District	100	433,123
Contra Costa Community College District	100	455,860
Mt. Diablo Unified School District	100	422,100
Acalanes and Liberty Union High School Districts	100	256,868
Bay Area Rapid Transit District	28.619	180,527
Pittsburg Unified School District	100	223,133
East Bay Regional Park District	43.931	77,666
Other School Districts	Various	136,402
Brentwood Union School District	100	42,785
Walnut Creek School District	100	27,307
Cities and City Special Tax Districts	100	45,440
Oakley Union School District	100	19,900
West Contra Costa Healthcare District Parcel Tax Obligation	100	59,010
Lafayette School District	100	12,805
Martinez Unified School District	100	44,999
Pleasant Hill Recreation and Park District	100	26,665
East Bay Municipal Water District and Special District No. 1	5.767	629
Total Overlapping Tax and Assessment Debt		3,943,250
TOTAL OVERLAPPING DEBT		4,574,560
TOTAL DIRECT AND OVERLAPPING DEBT		\$ 5,134,211

(continued)

COUNTY OF CONTRA COSTA
DIRECT AND OVERLAPPING BOND DEBT
(In Thousands)
(Unaudited)

	Ratio to Adjusted Assessed Valuation Value (%)		Per Capita
Population ²			1,102,871
Direct Debt	0.38	\$	507
Total Direct and Overlapping Debt	3.50		4,655



Source: ¹ California Municipal Statistics, Inc.

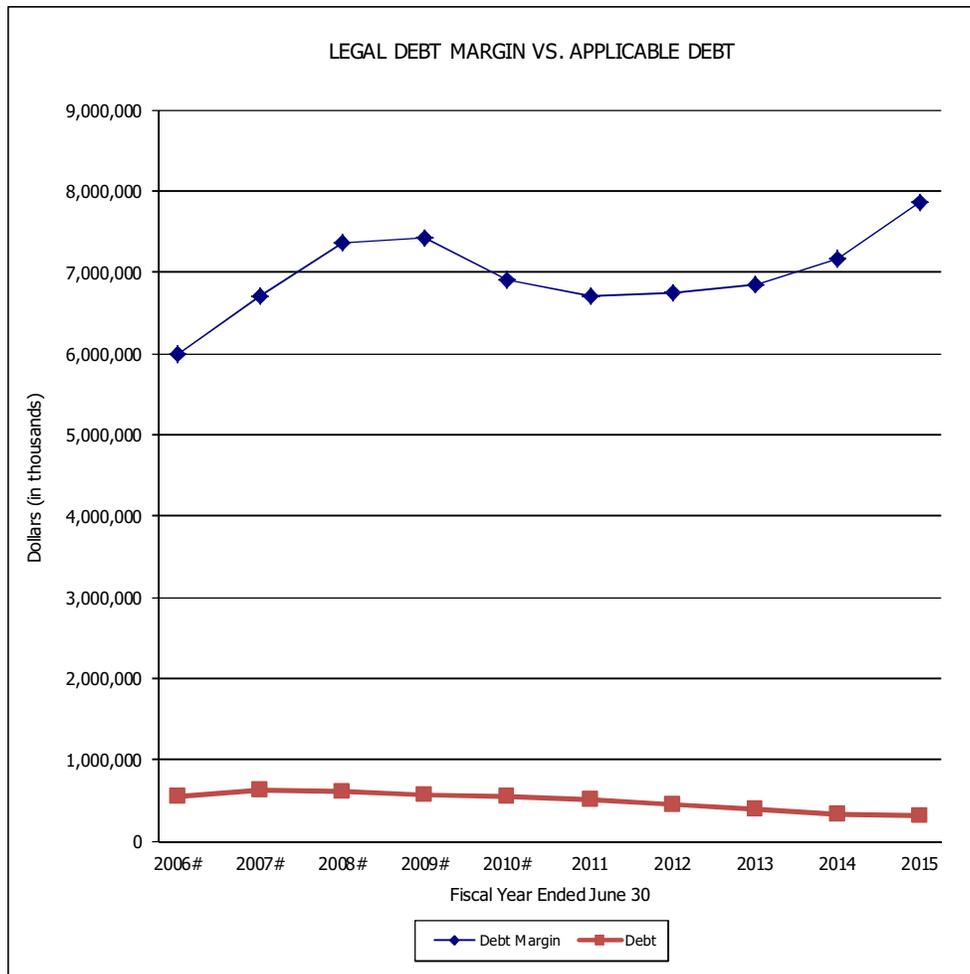
- a. Percentage of overlapping agency's assessed valuation located within boundaries of the county.
- b. Excludes tax and revenue anticipation notes, revenue, mortgage, revenue and tax allocation bonds and non-bonded capital lease obligations.

² Not in thousands

(concluded)

COUNTY OF CONTRA COSTA
LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (In Thousands)
 (Unaudited)

	2006#	2007#	2008#	2009#	2010#	2011	2012	2013	2014	2015
Assessed value of taxable property	\$ 131,052,764	146,407,238	159,330,335	159,818,836	148,644,215	144,144,610	143,622,830	144,808,527	150,129,829	163,511,671
Debt limit - 5% of assessed value ¹	(A) \$ 6,552,638	7,320,362	7,966,517	7,990,942	7,432,211	7,207,231	7,181,142	7,240,426	7,506,491	8,175,584
Amount of debt applicable to debt limit ²										
Total bonded debt	618,940	648,815	625,275	596,335	559,060	521,375	454,765	404,500	350,945	327,320
Less: Assets of debt service funds	64,684	25,602	26,191	32,509	22,258	20,427	11,820	12,290	13,958	15,517
Total net general obligation debt	(B) 554,256	623,213	599,084	563,826	536,802	500,948	442,945	392,210	336,987	311,803
Legal debt margin	(A - B) \$ 5,998,382	6,697,149	7,367,433	7,427,116	6,895,409	6,706,283	6,738,197	6,848,216	7,169,504	7,863,781
Total net general obligation debt applicable to the limit as a percentage of debt limit	8.45%	8.51%	7.51%	7.06%	7.22%	6.95%	6.17%	5.42%	4.49%	3.81%
Total net general obligation debt applicable to the Assessed value of taxable property	0.42%	0.43%	0.38%	0.35%	0.36%	0.35%	0.31%	0.27%	0.22%	0.19%
Population ³	1,025,436	1,035,097	1,048,185	1,061,325	1,073,055	1,056,064	1,066,602	1,074,702	1,087,008	1,102,871
Total net general obligation debt per capita ⁴	\$ 540.51	602.08	571.54	531.25	500.26	474.35	415.29	364.95	310.01	282.72



¹ California Government Code Section 29909 limits General Obligation Bond indebtedness to five percent of the total assessed valuation of all taxable real and personal property within the county.

² Does not include Public Financing Authority nor Assessment District debt.

³ California Department of Finance Estimate for January 1 of each year.

⁴ Not in thousands

Revised

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS
 (Unaudited)

Fiscal Year Ended June 30	#	Population ¹	#	Personal ² Income	#	Per Capita ² Personal Income	Median ³ Age	Education ⁴ Level	School ⁵ Enrollment	Average ⁶ Unemployment Rate
2006		1,025,436	\$	55,318,933	\$	55,241	37.5	37.2 #	277,459	4.5 %
2007		1,035,097		58,043,926		57,881	37.9	37.1	272,443	4.7
2008		1,048,185		59,914,142		57,874	38.1	38.7	280,617	6.3
2009		1,061,325		55,781,843		56,703	38.6	37.6	280,612	10.8
2010		1,073,055		57,700,398		55,455	38.0	37.7	277,720	11.3
2011		1,056,064		60,778,678		59,053	N/A	28.5	N/A	11.0
2012		1,066,602		66,544,007		61,638	N/A	N/A	N/A	9.4
2013		1,074,702		69,375,880		63,403	38.0	38.4	283,527	7.3
2014		1,087,008		N/A		N/A	38.8	39.7	296,436	6.0
2015		1,102,871		N/A		N/A	N/A	N/A	N/A	6.2

N/A Not Available

¹ California Department of Finance Estimate for January 1 of each year.

² U.S. Department of Commerce - Bureau of Economic Analysis (thousands)

³ U.S. Census Bureau

⁴ Percent of population with Bachelor or Graduate Degree - U.S. Census Bureau

⁵ Population three years and over enrolled in school - U.S. Census Bureau

⁶ State of California - Employment Development Department - June Data

Revised

COUNTY OF CONTRA COSTA
PRINCIPAL EMPLOYERS ¹
 CURRENT YEAR AND EIGHT YEARS AGO
 (Unaudited)

Employer	2015 ²			2007 ³		
	Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
Chevron Corporation	10,000+	1	1.92 %	7,100	1	1.30 %
Bayer Healthcare Pharmaceuticals	500-999	T-2	0.14			
Bio-Rad Laboratories	500-999	T-2	0.14	1,100	8	0.20
C&H Sugar Co., Inc.	500-999	T-2	0.14			
Conoco Phillips Rodeo Refinery	500-999	T-2	0.14			
Macy's	500-999	T-2	0.14			
Nordstrom	500-999	T-2	0.14			
Safeway	500-999	T-2	0.14			
Shell Oil Products	500-999	T-2	0.14			
Tesoro Golden Eagle Refinery	500-999	T-2	0.14			
Kaiser Permanente				5,000	2	1.00
AT&T				3,150	3	0.60
Kaiser Foundation Hospital				2,300	4	0.50
John Muir Medical Center				1,900	5	0.40
John Muir/Mt. Diablo Medical Center				1,500	6	0.30
24-Hour Fitness				1,200	7	0.20
Doctors Medical Center				1,000	9	0.20
Uss Posco Industries				975	10	0.20
All Others	504,950			489,925		
Total	<u>521,700</u> ⁴		<u>3.18 %</u>	<u>515,150</u>		<u>4.90 %</u>

Contra Costa County Employment by Industry ⁵	
2014* Annual Average	
Trade, Transportation, & Utilities	17.99%
Professional & Business Services	15.26%
Educational & Health Services	15.06%
Government	14.97%
Leisure & Hospitality	10.81%
Manufacturing	7.85%
Financial Activities	4.90%
Construction	4.18%
Other Services	3.29%
Information	2.97%
Agriculture	2.52%
Mining and Logging	0.20%

¹ Government Employers Excluded

² East Bay - EDA

³ State of California Employment Development Department, June 2007, not adjusted

⁴ State of California Employment Development Department, June 2015

⁵ State of California Employment Development Department, June 2014

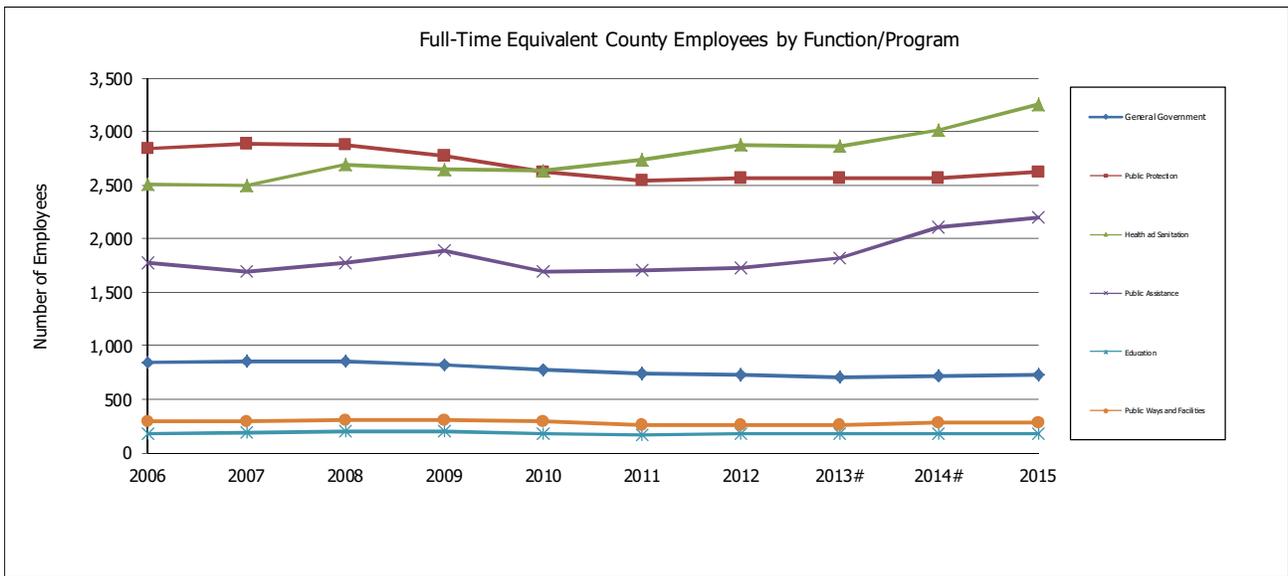
* Information not posted for 2015

Note: Percentage of total county employment and number of estimated employees for all other employers are based on the midpoints in the ranges given.

COUNTY OF CONTRA COSTA
FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)

Function	2006	2007	2008	2009	2010	2011	2012	2013#	2014#	2015
General Government	838	852	854	825	770	735	728	707	712	728
Public Protection	2,841	2,883	2,880	2,773	2,618	2,538	2,565	2,565	2,566	2,624
Health and Sanitation	2,507	2,499	2,689	2,645	2,639	2,735	2,876	2,866	3,014	3,259
Public Assistance	1,774	1,697	1,775	1,884	1,692	1,702	1,722	1,815	2,106	2,203
Education	176	187	197	197	174	169	175	175	175	178
Public Ways and Facilities	287	291	302	301	298	263	263	263	279	281
Total	8,423	8,409	8,697	8,625	8,191	8,142	8,329	8,391	8,852	9,273

Revised



Source: County Administrator's Office, Contra Costa County, California

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government			
<u>Assessor</u>			
Number of Assessment Roll Units - Secured	345,212	353,469	355,637
Number of Assessment Roll Units - Unsecured	49,488	49,909	48,963
<u>Auditor-Controller</u>			
Tax Rate Areas Administered	1,024	1,040	1,057
<u>County Counsel</u>			
Tort Claims Filed Against County Transferred to County Counsel	274	255	255
Juvenile Law Contests Set for Each Child	3,063	3,449	2,596
Juvenile Law New Dependency Cases Opened			
Standard Forms Services Agreements			
Attorney Overtime Hours			
Formal Written County Counsel Opinions			
<u>Clerk-Recorder</u>			
New Voter Registration	22,172	32,304	63,003
Updates to Voter Registration		49,838	113,810
Cancelled Voter Registration	14,450	30,063	21,328
Total Voter Registration	492,656	464,042	493,315
Recorded Documents	581,595	447,969	332,167
<u>Human Resources</u>			
Employment Applications Processed	15,817	26,334	24,048
Examinations Conducted	221	223	248
Personnel Transactions Processed		12,185	31,700
Appointments	1,103	1,329	841
Percentage of Applications Received as a result of the Online Application Process	35.00%	53.30%	80.50%
<u>Information Technology</u>			
Enterprise Server Transactions Monthly	9,000,000	3,026,138	2,246,295
Enterprise Server Availability	99.00%	99.00%	99.98%
Viruses Stopped	3,100,000	47,879	3,000
Spam Emails Stopped	11,000,000	73,000,000	180,000,000

2009	2010	2011	2012	2013	2014	2015
356,213	356,247	357,315	357,644	357,854	359,327	360,368
48,281	47,048	46,235	45,592	45,757	45,751	45,178
1,064	1,089	1,095	1,094	1,094	1,100	1,101
277	243	263	263	212	207	237
1,873	2,322	1,152	1,411	1,280	1,519	1,318
			639	616	494	465
1,486	1,709	1,730	1,651	1,701	1,345	1,444
			2,019	2,354	2,421	2,458
26	47	35				
79,155	19,235	31,015	23,688	74,870	19,246	28,781
77,250	9,156	19,112	18,181	34,371	33,703	38,422
24,461	13,512	24,538	16,721	57,294	15,315	21,977
524,229	523,981	513,129	520,098	527,136	528,429	523,465
305,382	311,038	333,945	320,827	401,725	273,673	274,339
13,557	19,793	27,467	29,068	39,726	32,076	37,865
229	159	215	185	131	137	179
24,903	26,803	13,412	19,310	23,472	24,313	21,206
404	252	869	1,129	1,254	1,514	1,659
82.00%	82.76%	90.71%	91.46%	92.19%	92.06%	100.00%
2,100,000	2,507,144	2,700,000	4,784,008		2,180,137	2,003,706
99.00%	99.00%	99.00%	99.00%		98.00%	98.50%
5,000	133,547	183,547	2,500,000		136,182	84,900
190,000,000	82,800,000	172,000,000	37,000,000		16,230,600	18,195,400

(continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government (continued)			
<u>Public Works</u>			
Fleet Operations			
Fleet Size	1,473	1,464	1,526
On Road Fleet	1,175	1,285	1,330
Vehicles Maintained	1,599	1,515	1,540
Vehicle Availability Rate	96.05%	95.89%	95.42%
Vehicle Repair Orders	5,824	5,368	5,373
Miles Traveled	10,900,129	10,436,107	11,686,360
CNG Vehicles	35	36	38
E-85 Vehicles	22	29	44
Hybrid Vehicles	63	72	83
Print and Mail			
Copies & Impressions Produced	32,161,483	29,669,219	29,170,473
Amount of Mail Processed	4,411,824	4,347,545	3,885,354
Real Estate Services			
Acquisition Leases Negotiated		8	10
Leases Renewed or Amended		26	12
Leased Buildings Managed		209	205
Leased Buildings Square Footage		1,914,476	1,830,393
County Owned Buildings		257	261
County Owned Buildings Square Footage		2,686,424	2,753,200
Purchasing/Materials Management			
Purchase Orders Processed	4,243	4,433	4,560
Dollar Value of Processed Purchase Orders	79,188,531	85,717,001	91,059,826
Facilities Maintenance			
Work Requests Received	10,457	11,559	14,730
Work Requests Completed	9,627	11,112	14,054
Non-Emergency Requests Received	5,610	6,497	10,041
Emergency Requests Received	5,963	6,006	6,149
Avg. Response in days to complete non emergency facility repairs			
Percentage of Green supplies used for Custodial Maintenance			
Capital Projects			
Number of Projects			
Value of Projects			

2009	2010	2011	2012	2013	2014	2015
1,518	1,468	1,442	1,458	1,501	1,533	1,557
1,313	1,148	1,142				
1,518	1,468	1,442				
93.91%	95.54%	94.32%				
6,927	5,452	5,847	5,143	5,052	7,891	5,129
11,847,115	9,387,519	7,657,682				
54	54	52	25	24	23	31
85	114	85	262	707	798	878
109	143	160	164	168	173	192
29,172,931	20,004,475	23,056,896	26,503,332	19,629,911	24,859,073	30,171,566
3,941,525	3,905,438	3,877,561	4,181,180	4,211,409	4,379,866	4,423,665
11	7	3		39	8	11
17	5	4	5	9	10	16
198	195	153	150	148	136	118
1,910,523	1,886,125	1,042,600	970,744	1,072,300	873,665	794,048
267	270	293	284	282	224	229
2,856,676	2,889,490	3,508,000	3,524,869	3,506,269	3,412,733	3,431,645
5,249	4,069	4,250	5,017	4,666	4,645	4,132
89,435,095	86,780,305	125,469,222	124,337,380	128,540,802	126,449,144	135,133,287
13,543	15,065	18,818	19,745	20,620	22,972	32,785
10,834	13,015	16,538	18,051	18,876	21,144	29,826
8,330	14,311	17,628	19,343	19,900	22,353	32,525
6,209	377	454	402	720	619	260
		20	32	20	23	19
		87.00%	87.00%	87.00%	87.00%	
57	42	29	40	51	68	86
120,000,000	97,908,074	89,906,000	42,821,417	65,432,000	93,295,000	190,519,700

(continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government (continued)			
<u>Tax Collector-Treasurer</u>			
Secured Tax Bills	338,259	345,429	353,607
Unsecured Tax Bills	48,739	54,139	52,401
Supplemental Tax Bills	43,736	56,995	22,932
Business Licenses Issued	6,157	6,387	6,231
Public Protection			
<u>Agriculture</u>			
Number of Shipments Inspected/Profiled	78,263	88,094	74,797
Pest Control Inspections	1,047	741	651
Number of Taxis Inspected	229	224	198
Number of Petroleum Dispensing Devices Inspected	2,951	4,819	6,159
<u>Animal Services</u>			
Licenses Sold	45,977	41,054	37,753
Animals Handled	25,043	23,987	18,706
Animals Adopted	5,584	5,606	6,746
Animals Returned to Owner	2,363	2,364	2,366
<u>Child Support Services</u>			
Number of Cases	38,482	37,657	36,416
<u>Conservation and Development</u>			
Number of Land Use Applications Received	1,165	1,080	917
Number of Land Use Entitlements Issued		521	486
Solid Waste Diverted from Landfills		50%	54%
Number of Affordable Housing Units Provided			
Financial Assistance		767	432
Building Inspection			
Plans Reviewed	2,152	2,035	1,986
Permits Issued	13,629	13,492	11,415
Inspections Performed	81,363	95,189	78,024
Code Enforcement Cases Opened*	2,260	1,537	1,431
Number of Dwellings Weatherized			
Number of Households rebated under SEP**			
<i>* reflects shift to early intervention model</i>			
<i>**SEP = State Energy Plan</i>			

2009	2010	2011	2012	2013	2014	2015
355,847	356,359	363,141	364,313		364,949	366,429
51,814	49,737	51,140	49,221		49,726	48,364
25,180	15,878	23,721	19,765		32,185	28,177
6,256	6,006	5,588	5,737		5,352	5,292
69,934	64,835	68,286	50,857	51,548	50,964	44,395
657	575	563	583	581	505	580
375	355	284	257	448	675	988
6,040	7,130	6,077	7,527	4,621	7,035	6,027
39,936	37,220	37,166	41,000	42,388	48,481	50,567
24,815	23,170	23,830	15,410	14,483	17,220	23,451
6,862	6,328	6,317	6,682	6,885	6,509	6,785
2,303	2,203	2,175	1,906	1,778	1,686	1,470
35,952	34,643	31,940	30,484	30,972	29,653	28,816
	617	480	505	742	978	926
	254	204	312	148	84	53
486		189	157	268	156	204
	6,554	7,168	7,211	8,241	8,482	12,395
	8,868	8,500	8,334	9,213	10,347	11,498
	43,656	39,171	37,940	45,161	51,126	55,155
	2,633	1,298	1,083	969	926	719
		925	1,551	375	258	307
			218			

(continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Public Protection (continued)			
<u>Fire Protection Services</u>			
Contra Costa Fire Protection District			
Emergency Calls	42,255	45,188	45,504
Fire Calls	1,914	2,175	1,940
Medical Calls	29,864	30,401	30,244
Inspections Performed	1,198	1,970	2,180
Active Fire Companies	30	30	30
<u>District Attorney (Calendar Year)</u>			
Felony Cases Filed	5,423	5,081	4,319
Misdemeanor Cases Filed	10,726	11,108	10,895
<u>Probation</u>			
Court Reports	9,391	10,320	9,417
Average Supervision Caseload (Including Home Sup.)	4,602	6,902	7,555
Juvenile Hall Detention Care Days	56,862	51,684	62,179
Youth Rehabilitation Care Days	33,578	35,171	35,437
Juvenile Community Service Days Worked	3,924	3,405	3,275
<u>Public Administrator</u>			
Cases Opened	90	156	162
Cases Closed	103	136	141
<u>Public Defender (Calendar Year)</u>			
Cases Handled			
Felony	3,891	3,458	2,998
Misdemeanor	8,264	8,196	7,666
Juvenile			
Criminal	3,510	2,953	3,787
Conservatorship	498	486	470
Superior Court/Probation Violation	2,196	2,336	2,314
Other/Expungements	562	979	1,110
Miscellaneous			
<u>Sheriff</u>			
Calls for Service			
Priority 1 - Respond immediately	121,261	123,871	115,936
Priority 2 - Respond as soon as possible	57,634	55,804	52,248
Priority 3 - Respond when available	154,915	156,484	163,112
Citations Issued	21,657	20,026	15,455
Crime Reports Processed	30,607	34,024	32,092
Warrants Served	19,799	7,730	7,514

2009	2010	2011	2012	2013	2014	2015
44,491	40,641	41,676	42,175	42,804	45,036	46,989
1,770	1,357	1,362	1,578	1,608	1,897	2,603
29,997	26,788	28,820	29,349	30,110	30,649	32,756
5,433	6,589	13,726	14,242	16,396	14,731	14,819
30	30	29	29	24	23	24
3,620	4,053	3,305	3,688	3,902		
10,938	9,529	8,999	7,708	10,366		
7,986	10,000		8,000	7,400	7,200	6,650
4,906	6,395		5,700	5,300	5,600	5,300
63,432	74,610		53,996	47,352	52,925	53,048
36,409	34,820		34,569	30,700	31,025	23,877
0	0					
177	200	253				
162	209	270				
2,907		2,651	2,803	3,851	4,422	4,042
7,466		7,596	4,999	4,693	6,856	7,312
1,938		1,810	1,510	1,145	935	772
431		422	417	628	373	307
1,895		1,826	3,042	3,761	4,875	4,906
597		662	945	1,459	1,795	597
						160
113,595	99,801	95,426	88,699	80,810	81,688	92,072
51,982	48,569	47,480	51,394	42,983	33,994	38,391
151,825	136,209	135,192	134,560	123,427	127,248	122,188
13,154	15,250	16,469	15,469	16,186	16,672	14,680
29,164	25,661	21,926	23,543	24,825	25,858	21,963
8,806	11,821	8,947	5,095	5,136	6,621	6,603

(continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Public Protection (continued)			
<u>Sheriff continued</u>			
Custody Services			
Bookings - Detention Facility	25,144	24,955	23,556
Bookings - Custody Alternative	3,874	3,333	4,259
Average Daily Population - All Facilities	1,715	1,639	1,552
<i>**Includes custody alternative bookings</i>			
Health and Sanitation			
<u>Health Services</u>			
Mental Health			
Inpatient Average Daily Census	333	323	303
Outpatient Visits	338,072	300,883	317,256
Conservatorship Clients	8,876	9,176	9,119
Alcohol & Other Drugs			
Residential Days	80,122	77,844	72,024
Outpatient Visits	58,813	64,785	64,767
Detention - Average Monthly Inmates	1,659	1,631	1,560
Public Health			
AIDS/HIV Tests	2,784	2,765	2,738
Immunizations Given	27,180	19,926	21,108
Senior Nutrition Meals Served	463,668	452,722	488,119
Environmental Health			
Hazardous Material Incident Responses	3,356	3,248	3,713
Environmental Health Inspections	36,091	38,864	53,787
California Child Serves Cases	2,864	3,054	3,195
Homeless Clients in Shelters	707	721	736
Public Assistance			
<u>Employment and Human Services</u>			
Average Number of Households Receiving Food Stamps	12,737	13,777	15,182
Welfare Warrants Issued	100,670	13,046	
Welfare Direct Deposit Items	7,544		
Number of Adult Protective Service Reports	1,563	1,724	1,964
Average Monthly Number of Medi-Cal Beneficiaries	111,575	111,780	114,105
Number of Children Served by Child Welfare	3,714	3,680	3,486
Number of Families Receiving Childrens Services	2,123	2,100	2,017
Average Number of Children in Foster Care	1,834	1,717	1,141
Average Number of Families receiving CalWORKS Assistance	9,019	8,956	9,152
Average Number of Welfare to Work Participants	3,016	3,504	3,605
Average Participants for In-Home Support Services	6,239	6,562	7,111
Number of Children Served (Head Start)	3,480	3,120	3,350
Number of Dwellings Weatherized	439	434	303

2009	2010	2011	2012	2013	2014	2015
23,126	23,170	23,621	23,310	23,069	24,644	25,356
4,268	3,836	3,220	2,982	2,936	2,916	2,355
1,494	1,516	1,545	1,502	1,529	1,929**	1,751
287	280	290	269	245	303	290
432,667	433,982	457,937	430,713	432,793	460,618	469,613
9,234	9,700	9,950	10,242	10,466	10,524	10,224
70,616	65,038	72,836	49,492	59,808	62,104	55,540
61,409	49,974	39,836	29,994	35,692	31,470	27,701
1,547	1,513	1,699	1,503	1,524	1,568	1,432
2,431	1,708	1,600	2,105	1,941	1,736	1,522
21,129	66,276	25,144	18,022	16,067	13,332	9,634
491,144	499,474	514,455	540,586	542,283	500,514	541,754
3,029	2,692	3,780	3,182	2,876	2,835	3,555
58,110	57,900	54,281	50,207	54,357	46,540	44,532
3,239	3,940	3,694	3,725	3,841	4,092	4,157
791	849	877	1,114	1,165	1,252	1,195
18,785	23,886	28,583	32,791	33,232	34,147	35,450
1,977	1,564	1,713	1,791	1,701	1,640	2,607
122,523	131,818	135,988	141,360	159,748	155,102	224,052
2,932	2,357	2,087	2,232	2,362	2,517	2,512
1,770	1,398	1,246	1,316	1,551	1,873	1,922
1,049	920	801	798	781	858	867
9,973	10,819	11,322	10,948	10,592	10,243	10,160
4,410	3,542	3,125	2,562	3,109	2,934	2,952
7,574	7,262	7,409	7,065	6,971	7,614	8,081
3,553	3,678	4,667	3,225	3,198	2,717	2,801
271	509	1,113	1,014	195	146	160

(continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Public Assistance (continued)			
<u>Veteran Services</u>			
Claims/Appeals Filed for the Benefit of Veterans	1,781	2,039	2,193
Interviews	5,170	5,143	5,500
Incoming Calls Received			
State of California College Fee Waiver Applications			
Number of Veterans receiving monthly benefits			
Number of Veterans, Family Members, Dependents or Survivors receiving retroactive or lump sum benefits			
Education			
<u>Library</u>			
Library Visits	3,422,469	3,426,151	3,742,311
Items Circulated	4,929,783	5,428,511	6,132,207
Annual Hours Open	53,820	55,484	56,940
<u>Cooperative Education</u>			
4-H Club Membership	847	836	906
Youth Federal Nutrition Program		3,859	3,214
Public Ways and Facilities			
<u>Public Works</u>			
Pavement Condition Index Rating	86	85	83
Flood Control Development Reviews	559	552	447
Land Development Reviews	89	79	47
Land Development Improvement Plans (approved)			
Encroachment Permits			
Service Requests		2,266	1,897

2009	2010	2011	2012	2013	2014	2015
2,140	2,360	2,077	1,890	2,503		
5,467	6,112	6,283	5,910	6,087		
14,798	15,546	14,815	13,228	16,350		
372	350	401	384	435		
941	1,098	822	597	2,457		
1,069	822	729	491	2,457		
3,878,217	4,049,654	4,098,136	3,959,334	4,068,772	4,063,830	3,768,045
6,728,411	6,944,422	7,489,545	7,483,487	7,222,059	6,890,877	6,548,953
57,148	50,953	50,772	54,113	53,895	56,654	56,524
	934	683	667	679		
	2,876	1,709	4,993	4,005		
79	75	72	69	68	71	73
310	318	358	327	358	378	336
31	9	69	49	29	23	36
		10	10	6	8	7
		1,066	1,112	1,014	1,339	1,259
1,620	1,636	1,662	1,066	1,096	972	793

(continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Enterprise Activities			
<u>Hospital</u>			
Hospital & Clinics			
Inpatient Days	49,936	47,026	45,126
Outpatient Visits	421,479	418,236	433,541
<u>Health Maintenance Plans</u>			
CCHP M-Cal Plan Enrollees	42,519	44,744	48,393
CCHP Commercial Plan Enrollees	20,954	21,749	31,218
CCHP Major Risk Enrollees	134	85	68
<u>Sheriff Training Center</u>			
Law Enforcement Training Academy - LETC			
Number of Students - Academy	72	102	120
Number of Students - In Service	2,821	2,905	2,690
Hours of Instruction - Academy	2,016	2,603	2,776
Hours of Instruction - In Service	2,284	2,575	2,228
<u>Airport (Calendar Year)</u>			
Aircraft Operations (Take off / Landing)			
Buchanan	124,102	93,881	92,951
Byron (Estimated)	60,000	50,000	50,000

Source: Contra Costa County Departments

2009	2010	2011	2012	2013	2014	2015
44,716	44,947	44,722	45,264	44,236	45,077	49,586
452,486	461,567	449,019	455,993	377,152	421,972	453,093
53,195	58,495	66,244	77,338	92,179	124,217	159,685
29,035	28,460	32,350	31,705	26,024	13,310	11,876
54	54	51	54	48	10	1
95	212	200	182	218	280	263
2,007	2,031	2,185	3,000	3,834	4,056	3,405
2,200	2,946	3,125	3,383	3,240	3,843	3,445
2,436	2,596	3,096	2,400	2,418	2,997	2,563
93,881	88,124	79,000	75,000	79,098	93,000	109,000
50,000	50,000	50,000	50,000	50,000	50,000	6,000 (concluded)

COUNTY OF CONTRA COSTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
<u>Clerk-Recorder</u>										
DFM Mark-A-Vote System										
Data General Terminal	1	1	1	1	1	1				
Card Readers	20	20	20	20	20	19				
BCWin Terminal	4	4	4	4	4	4				
<u>Election Systems and Software</u>										
M100 Precinct Tally Machines	768	768	768	768	768	768	768	768	768	768
AutoMark - ADA Assist Ballot Marking Devices	768	768	768	768	768	768	768	768	768	768
M650 High Volume Ballot Scanners	4	4	5	6	6	6	6	6	6	6
Public Protection										
<u>Animal Services</u>										
Animal Shelters	2	2	2	2	2	2	2	2	2	2
<u>Fire Protection Services</u>										
Contra Costa Fire Protection District										
Fire Stations	30	30	30	30	30	30	30	30	30	30
Fire Engines/Trucks/Other Apparatus	92	91	90	97	80	80	81	82	82	83
<u>Probation</u>										
Juvenile Hall - Certified Beds	290	290	290	290	290		290	290	290	290
Orin Allen Youth Rehabilitation Facility - Certified Beds	100	100	100	100	100		100	100	100	100
<u>Sheriff</u>										
Square Miles Patrolled	521	521	521	521	521	521	521	521	521	521
Patrol Vehicles							145	145	150	150
Waterways Patrolled							250	250	250	250
Patrol Vessels							8	9	9	11
Detention Facilities	3	3	3	3	3	3	3	3	3	3
Education										
<u>Library</u>										
Community Libraries	24	25	25	25	25	25	26	26	26	26
Public Ways and Facilities										
<u>Public Works</u>										
Miles of Road Maintained	664	664	664	664	670	670	660	670	672	666
Miles of Creek/Channels Maintained	75	75	75	75	75	75	75	79	79	79
Enterprise Activities										
<u>Hospital</u>										
Hospital	1	1	1	1	1	1	1	4	4	2
<u>Sheriff Training Center</u>										
Law Enforcement Training Academy - LETC	1	1	1	1	1	1	1	1	1	1
<u>Airport</u>										
Buchanan	1	1	1	1	1	1	1	1	1	1
Byron	1	1	1	1	1	1	1	1	1	1

Source: Contra Costa County Departments

COUNTY OF CONTRA COSTA
MISCELLANEOUS STATISTICS
(Unaudited)

GEOGRAPHICAL LOCATION: Contra Costa County is located near San Francisco in the Bay Area. It is bordered by San Francisco Bay and San Pablo Bay on the west, by Suisun Bay and the Sacramento and San Joaquin Rivers on the north, by the delta country of San Joaquin County on the east and by Alameda County on the south.

ALTITUDE: Sea level to 3,849 feet

AREA OF COUNTY: 732.6 square miles of land and 73.3 square miles of water.

COUNTY SEAT: Martinez, California

FORM OF GOVERNMENT: General Law County, governed by a five member Board of Supervisors. Contra Costa County is one of the original 27 counties established when California became a state in 1850.

Source: County Administrator's Office

	November 4, 2014 Statewide General Election	March 17, 2015 Special Primary Election	May 19, 2015 Special General Election
REGISTERED VOTERS	527,521	371,805	369,878
NUMBER VOTING	259,007	92,761	102,496
PERCENT VOTING	49.10%	24.95%	27.71%

Source: County Clerk-Recorder Department, Elections Division

